

SENQU MUNICIPALITY

ANNUAL REPORT 2022/23



CONTENTS

CHAPTER 1

MAYOR'S FOREWORD & EXECUTIVE SUMMARY.....	2
VISION	2
YOUTH PROJECTS.....	2
HAWKERS.....	3
PUBLIC PARTICIPATION.....	3
AGREEMENTS /PARTNERSHIPS.....	3
CONCLUSION.....	4
MUNICIPAL MANAGER'S OVERVIEW.....	5
ALIGNMENT OF SERVICE DELIVERY PRIORITIES.....	5
SERVICE DELIVERY PERFORMANCE.....	5
BASIC SERVICE DELIVERY.....	5
MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW.....	8
Introduction to Background Data.....	8
Demographic Overview: Senqu Municipality (2022/2027 IDP).....	9
Service Delivery Challenges.....	11
Water.....	11
ORGANIZATIONAL DEVELOPMENT OVERVIEW.....	15
AUDITOR GENERAL'S REPORT	17
This report is detailed in Chapter 6 of this document.	17
Comments on the Annual Report Process.....	17
INTRODUCTION TO GOVERNANCE.....	20
COMPONENT B: INTERGOVERNMENTAL RELATION	31
Introduction To Co-Operative Governance And Intergovernmental Relations.....	31
Public Meetings	33
OVERVIEW OF CORPORATE GOVERNANCE.....	38
Risk Management.....	38
Municipal Website.....	42
Comment Municipal Website Content and Access.....	42
Component A: Basic Services.....	46
ELECTRICITY	46
Electricity Service Policy Objectives taken from IDP.....	52
WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	56
Waste Collection.....	60
Waste Management By-Laws	62
FREE BASIC SERVICES: ELECTRICITY 2022/2023.....	69
Budget vs Expenditure: Free Basic Services.....	71
Introduction to Roads.....	72
Summary Q1 of 2022/23.....	72
COMPONENT C: PLANNING AND DEVELOPMENT (PLANNING AND LOCAL ECONOMIC DEVELOPMENT).....	84
The current financial year - MIG Project Detail 2022/2023.....	90
The previous financial year - MIG Project Detail 2021/2022	90
LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES.....	91
Basic Services and Infrastructure.....	93
Technology	94
The Expanded Public Works Programme (EPWP).....	101

Table: EPWP project costs and results for the 2022/2023 period as reported on the EPWPRS.....	102
Table: Detailing the actual number of people employed per quarter in designated groups for the 2022/2023:	105
Introduction to Commonage Management and Pounds.....	113
During the 2022/2023 period, it was ensured that.....	113
2021/2022 Sport and Recreation Performance Overall.....	115
Financial Performance	115
Capital Expenditure sport and recreation	116
INDOOR RECREATIONAL COMMUNITY FACILITY (HALLS).....	116
ICT.....	118
Supply Chain Management.....	119
COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 PERFORMANCE REPORT 2022/2023.....	121
ANNUAL PERFORMANCE TARGETS 2022/2023 (SEE S46 ATTACHED).....	122
Employment Equity Statistics	127
INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT.....	129
POLICIES.....	129
PERFORMANCE REPORTING AND REWARDS.....	132
Performance Management Context and Guiding Principles.....	132
Current scenario and Way Forward (context provided).....	135
Employee Performance Management (Assessment and Management).....	135
Developing Personal Plans and Scorecards for employees.....	137
Financial Competency Development Report 2022/2023.....	154
FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	176
CAPITAL EXPENDITURE	180
ANALYSIS OF THE 2022-2023 ANNUAL REPORT CHAPTERS.....	271
CHAPTER 1: MAYORS FOREWORD AND EXECUTIVE SUMMARY.....	271
CHAPTER 4 ORGANISATIONAL DEVELOPMENT (PERFORMANCE REPORT PART 2).....	273
CHAPTER 5: FINANCIAL PERFORMANCE.....	273
CHAPTER 6: AUDITOR GENERAL'S FINDINGS	273
Chapter 3: (Service Delivery Performance: Performance Report Part 1).....	274
Chapter 4: Organisational Development (Performance Report Part 2).....	274
Chapter 5: Financial Performance	274
Chapter 6: Auditor General's Findings.....	274
CHAPTER 5.....	274
RECOMMENDATIONS TO COUNCIL.....	274



CHAPTER 1

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

1. VISION

A leading rural Municipality with a viable and modern economy.

1.1 JOB CREATION

In financial year 2022/23, 290 jobs were created through LED initiatives compared to 303 created in the previous financial (Expanded Public Works Programmes). It should also be noted that Senqu Municipality continues to be one of the most employment creator in this jurisdictional area of the municipality with a staff complement of about 278 fulltime employees.

1.1.1 LANDFILL CHALLENGES

Commendable progress has been made and the municipality managed obtain permission to construct landfill sites in Herschel and Rossouw. The Herschel landfill site has been practically completed while the Rossouw one is 95% completed. The Lady Grey site has been marred by a myriad of problems relating to poor performance of contractors, but in April a contractor was appointed, and this project is likely to be finished by the end of the next financial year if all goes well.

In Rhodes, the EIA was rejected by the Rate Payers Association of Rhodes, claiming that that there are no Buffer zones and that the site is situated on the riverbanks. Plans are afoot to register and develop a transfer station to avoid the legal operations required in operating a landfill site according to National Environmental Management: Waste Act 59 of 2008. This is a waste transfer facility that is used to accumulate and temporarily store waste before it is transported to a recycling, treatment, or waste disposal facility, which in this case will be Barkly East.

1.1.2 YOUTH PROJECTS

To ensure that the Youth of Senqu municipality is not involved in criminal and drug related activities, the municipality has established a Special Programmes Unit which is responsible for youth, women, and people living with disability development. In 2022/23 financial year, the municipality had one major event. The vent was a sports competition among the various wards of the municipality. The sporting codes were soccer and netball. The plan is to expand this event and include other sporting codes. We also want to have other activities like the music festival, which if all goes well it will be held in December of 2023. More recreational activities will be held in the outer years to curb the scourge of crime and drugs by young people in our communities.

1.1.3 SPORTFIELD

The geographic spread of sport facilities within the Senqu Municipality indicates that most urban areas have access to the sport facilities. Sport fields are found at Sterkspruit Town, Lady Grey, Barkly East, KwaGcina Village in Sterkspruit, and Naledi Village in Sterkspruit.

Lastly, the municipality received a grant funding to construct a Sportfield in Bluegums. An amount of R357 000.00 was set aside during this financial year to do an EIA, however this proved to take too long and could not be completed as planned by the end of the financial year.

1.1.4 TRAFFIC SERVICES

- **Basic traffic law enforcement** functions are well provided overall using four traffic officers, and it must be noted that there hasn't been any significant increase in the number of tickets and summons issued because of a directive from Eastern Cape Provincial Department of Transport and RTMC on the promulgation of AARTO system country wide and its eminent implementation by all law enforcement agencies. Administrative Adjudication of Road Traffic Offences Act, 1998 is an act of the Parliament of South Africa which introduces a points demerit system for violations of traffic law. It is managed by the Road Traffic Management Corporation, a public entity under the Department of Transport. This service has proved to be challenging with the vehicle population increase in Sterkspruit warranting additional traffic wardens and collaboration with other relevant stakeholders.
- **The Roadworthy Division** in Barkly East does not meet compliance criteria and does not have all the required resources to function. It is noted that this testing station / division/ roadworthy system has not been functional for the 4 past financial years *since 2017/2018. No vehicles have been tested for Roadworthiness during the previous financial year, nor during the current year under review.
- **The Driving License Testing Centre** is fully function relatively meeting the requirements of the Minimum Norms and Standards as per the DOT Service Level Agreement, National Road Traffic Act and regulations including the minimum requirements for Grading of Centers, functions and grading of examiners. Improvements required relate to access control, space layout and general infrastructure maintenance. In the 2023/2024 financial year the municipality will also start with the construction of the DLTC in Sterkspruit.

1.1.5 HAWKERS

Hawkers are encouraged to operate legitimately with assistance provision at every opportunity. Hawker's licenses are renewed, and business licenses are issued to the compliant premises.

1.2 PUBLIC PARTICIPATION

Public Participation has tremendously improved in the municipality as we have increased our visibility programmes. Apart from legislative compliance programmes, the municipality also had a public participation called "taking legislature to the people". This programme was organised by the Eastern Cape legislature and it was held in Sterkspruit between January and February of 2023.

1.3 AGREEMENTS /PARTNERSHIPS

These reflect the formal and semi-formal structures that existed in order to improve all aspects of functioning such as: MUNIMEC, DIMAFU, IGR and the like. These need to be actively pursued moving forward.

Agreements are entered into with the appointed Service Providers who are then evaluated in accordance with the recognized service provider's assessment processes. The JOGEDA (recognized Development Agency) that is used to boost tourism in the area, is effective in ensuring that tourism objectives are prioritized.

Agreements with DSRAC (libraries), Department of Roads and Public Works are examples of other agreements entered into nationally in order to ensure that services are provided effectively.

1.4 CONCLUSION

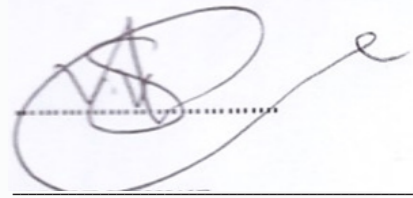
The year 2022/2023 was rather a difficult year for the municipality. It started with us losing our record of clean audit, and it was followed by the departure of our long serving Municipal Manager, Mr. Mxolisi Yawa. This meant that the municipality must function without an MM until recruitment processes were concluded. As if that was not enough the contract of also our long serving CFO also came to an end and we also had to start recruitment processes. Until the end of the financial year the municipality was operating with bot the acting Municipal Manager and CFO.

In April just after our ordinary council meeting one of our councillors, Cllr. Zuziwe Mnisi passed on as result of sudden illness.

All of these things could have deterred us by because we have committed people in our council and administration, we fought very hard to ensure that we earn our glorious name of being one of the best managed municipalities in the Eastern Cape and the country as whole.

I am therefore pleased to announce that the municipality managed to achieve its 9th clean audit during the 2022/2023 financial year. I am also please to announce that the municipality has appointed a new Municipal Manager, Mr. Thembinkosi Mawonga. Mr. Mawonga is no stranger to this district as he was once a municipal manager of the erstwhile Gariep Municipality before it was merged to be the now Walter Sisulu Municipality, which he was also its first Municipal Manager.

I therefore wish that we can continue to maintain our good governance status without compromising on service delivery and take this municipality to even greater heights during the 2023/2024, 2024/2025 and 2025/2026 financial year that are remaining for this council.



V.V STOKHWE

COMPONENT B: EXECUTIVE SUMMARY

1.5. MUNICIPAL MANAGER'S OVERVIEW

I joined this Municipality in July of 2023, which means it was exactly at the beginning of the 2023/2024 financial year and the end of 2022/2023 which this report will focus on. It is really an honor to serve this municipality especially with its remarkable governance proven over its clean audits records. This means I must hit the ground running in order to ensure that we preserve these outcomes. In my analysis of the municipality, I focused on the following areas:

ALIGNMENT OF SERVICE DELIVERY PRIORITIES

While the municipality has been doing a great job to ensure that the government money is sent well, there is still a gap in ensuring that its primary objective for existence is optimally met without compromise. This necessitated a turnaround plan which we did in July and August of 2023 with both the administration and the Executive council. The exercise was a success as it ensure firstly that we are serious about spending conditional grants and the quality of our services meets the standards that our people expect.

SERVICE DELIVERY PERFORMANCE

Service Delivery Performance for the 2022/2023 financial year was faced with many challenges which will be detailed in the report. A number of capital projects struggled to meet their targets, and this was due to poor performance of contractors and to an extent limited oversight. Part of our turnaround strategies was to expedite the implementation of our infrastructure development plans for the MTREF by ensuring that procurement is not left up to the last moment especially for key service delivery projects identified by our communities. The following are specifics per service delivery programme:

a. BASIC SERVICE DELIVERY

Roads, bridges and transport infrastructure

The maintenance of roads is done regularly but there were challenges in acquiring the cold asphalt that is needed for this work. This caused delays but ultimately planned maintenance was done. Another problem facing the municipality is the old and damaged assets which are needed to carry out this work. The municipality is therefore only able to do planned maintenance and even that is also sometimes disrupted by constant breakdowns on the existing fleet. The municipality is investigating a permanent solution to this problem and am confident that by the end of the next financial year, this problem will be a thing of the past.

The construction of new roads is also facing its own problems. The implementation of capital projects is not done with the speed that will ensure that we get value for money without compromising the final product. A rigorous monitoring all construction projects is high on the list of our turnaround strategy and any non-compliance will be met with serious consequences.

There is a need to address the traffic blockage in Sterkspruit that occurs during festive seasons and other holidays. We have recently finalised our Urban Design Framework, which among its key projects is attending to this problem. This is a multi-year task but the plan is to ensure that by the end of the term of this council, a sizeable chunk of work is done in this respect.

b. Recreation and Community Facilities

Although there seem to be a need for more recreational facilities in the entire municipality, the plan is to ensure that we maintain properly the existing ones and promote their optimal usage. This will give a clear indication of the actual needs for our communities. We are currently busy with the process of constructing a new Sportfield in Bluegums. This project should be completed by the end of the 2024/2025 financial year.

c. Cemeteries and Pauper Burials

The process of pauper burials is done in accordance with municipal policy and all legislations that are governing it. All town have cemeteries, the only problem is with the Lady Grey cemetery that is almost to its capacity. There are plan in place to acquire land for it and this will form part of the future projects to be implemented by the municipality. It is however worrying that a reactional approach is advanced in this case wherein it would be better of the municipality will start land acquisition processes when the burial site is atleast 50 percent full to avoid any delays when full capacity is actually reached. This aspect of proactive planning is what we will advance in the future.

d. Libraries

Senqu Municipality has 5 libraries and two modular libraries. All libraries are operating from Monday to Friday from 08:00 to 16:00. The libraries have 10 permanent library personnel. Libraries are financed through the conditional grant from the Department of Sport Recreation Arts and Culture. is monthly circulation of books in the libraries. Barkly East and Sterkspruit libraries offers audio books available for the visually impaired.

e. Commonages and Animal Licensing

Stock registers were updated as required. The animal pound in Lady Grey is operational although there is still a challenge of non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East. There are plans in place to acquire a pound vehicle so that this service can be effectively carried out.

f. Waste Management

While the municipality is effectively collecting waste in all service areas, there is a challenge of non-collection in villages as they are not serviced areas. Our approach in this regard, is to systematically formalise all villages that are not formalised. The problem with this approach is it needs the by-in of traditional leaders and politicians. This will to an extent increase our revenue and also ensure that all our communities are getting equal services. This is a very long term strategy. There is also a short term strategy which will be costly to the municipality and will be set up collection points in all villages and rather collect there in the meantime.

There is also a problem of scarcity of land for the development of a new waste site, particularly in Sterkspruit. Areas that were identified had to be changed because community complained that the site is nearer to their houses. The current operating site is on an extension, and it will soon lapse. This will mean the municipality is non-compliant and can face up to R10 million fine from the Department of Environmental Affairs.

Urgent intervention is needed in this regard and related stakeholders will be approached for a speedy solution.

g. Free Basic Service Delivery

The municipality is doing exceptionally well in ensuring that those who qualify for indigent services, access them without any interruption. Our Indigent register is updated on monthly basis to ensure that those who have changes in their economic situation do no have to wait up until the end of the financial year to access their duly afforded services.

h. Electricity and Street Lighting

With the loadshedding not showing any signs of being permanently solved, the municipality is in process of engaging various alternative energy service providers to partner with it so that communities can benefit in the uninterrupted provision of electricity. It is currently not clear how long this process will take but updates will be given as soon as the is clarity on what is available on the market and how it will better benefit our communities. The municipality is also going to rollout a programme of installing streetlight in high crime areas to improve visibility during the night.

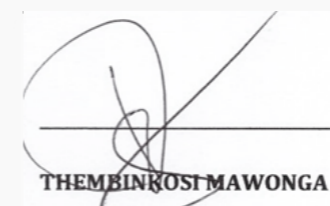
i. Job Creation

The municipality recently adopted a slogan for its self, which says “employee of choice”. The municipality is very serious in ensuring that it creates both formal and informal jobs where possible to circumvent the increasing levels of unemployment cum-poverty. To augment to the formal employment the municipality also annually sets aside funds for job creation programme. This programme does not include EPWP and CWP which are grant funds. All these three sources of employment contribute effectively to the creation of jobs within the Senqu area.

Conclusion

It is important to note that my observations are backed by various reports submitted to me during the handover period as well as interviews session with both the administrative and political arm. To effectively turnaround this ship and maintain the good name of the municipality, it will need a commitment of all those involved. This therefore means that even communities will have to effectively participate in the shaping of this municipality without only taking a passive participation approach.

Let me take this opportunity to thank the council of Senqu for having confidence in me steering this ship and also the administration for a warm welcome. This has made my few month at the municipality very easy.



THEMBINOS MAWONGA

MUNICIPAL MANAGER

1.6 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.6.1 Introduction to Background Data

The geographical area and aspects defining the Senqu Municipal context within which it exists, together with demographics relating to the population itself will be examined. This information is captured further within Senqu Municipalities Integrated Development Plan (IDP) that is updated annually. In this manner, insight into the challenges and situations faced by Senqu Municipality will be obtained and must be considered when determining context at any and every level.

Geographical Context and Overview of the Municipality

Historically it must be noted that Senqu Municipality was established following the amalgamation of the following Local Authorities and towns:

Lady Grey (including Transwilger and Kwezi Naledi);

Barkly East (including Nkululeko, Fairview and Lulama Hlanjwa);

Sterkspruit; Rhodes (including Zakhele), Rossouw; and

Portion of Wodehouse (Dordrecht) and Indwe.

The Senqu area also covers commercial farms and villages of the former magisterial districts of Barkly East, Rhodes, Herschel, Lady Grey and Sterkspruit and portions of Wodehouse (Dordrecht) and Indwe. The map which follows clearly indicates the boundaries relating to the Senqu Municipal district and provides an appropriate pictorial context and frame of reference for further discussion.



- Senqu Municipality is the largest Municipality in the Joe Gqabi District Municipality and spans an area of 6 772km squared.
- It borders the Eastern Cape Province and Lesotho.
- It is characterized by mountains and beautiful rivers. There are many game-fishing opportunities and both agriculture and the potential for tourism are considered to be critical economic factors to nurture for growth.
- Elundini and Sakhisizwe Municipalities are to the south of Senqu Municipality and in the west is Maletswai Municipality. To the north is the border between the Eastern Cape Province and the Free State Province. The R58 and R392 are the key transport routes through this Municipality. These then link to the N6 at Aliwal North.
- The municipality has three urban nodes viz. Barkly East, Sterkspruit and Lady Grey with Sterkspruit displaying the highest population growth rate.

- The remaining areas of the municipality are characterized by small villages and communal and commercial farming land.
- In examining the background detail, due cognizance must be taken of the efforts made by Senqu Municipality to satisfy basic service delivery requirements, while facing the many social and economic challenges.

1.6.2 Demographic Overview: Senqu Municipality (2022/2027 IDP)

Senqu Municipality consist of 3 main towns i.e. Lady Grey, Barkly East and Sterkspruit;

The dominant home languages are Isi Xhosa, isiHlubi, seSotho, Afrikaans and English. A larger part of isiHlubi speakers can be found living within the Sterkspruit area;

According to the 2001 Census, 83.5% of households are rural in nature (StatsSA). Whilst it is difficult to determine this figure with any accuracy from the 2011 census, indications are that it is at least around 70 %. This dynamic is shifting with the phenomenon of urban in migration occurring in Senqu Local Municipality. The majority of which is situated around the town of Sterkspruit (SDF 2017). This simply means that people are moving to live in villages which are expanding towards the urban centre of Sterkspruit. The concept of a rural countryside with scattered homesteads is disappearing, to be replaced by many villages growing towards each other creating rural urbanisation.

There appears to be an “out migration” of people both out of the rural areas and to the urban areas and from JGDM to other districts. An inward migration from Lesotho to Mt Fletcher and Sterkspruit is also being experienced (Joe Gqabi WSDP 2010);

Senqu Municipality in 2016 has a higher population density than Joe Gqabi district at 19.3 people per square kilometre compared to 14.5 people per square kilometre. This is an increase from 2006 of 18.71 which is an annual growth rate of 0.33%. This was the lowest average annual growth rate in the District Municipality. This average is however less than the Eastern Cape Province of 41.5 per square kilometre (Ecsecc,2017:70-71).

As reflected within the IDP 2022/2027 and based on the official definition, out of the Economically Active Population, there are 17 300 that are unemployed which is an unemployment rate of 40.6% (IHS Markit 2020).

Literacy levels: As reflected within the IDP 2017/2022 only 58.66% of the adult population can read and write as compared to the provincial level of 66.7% and the national average of 73.62%;

Skills Challenge: It is noted that the majority of the adult population (32.21%) are unskilled and there is a major shortage of technical skills (currently reflected at only 0.19%). Notwithstanding, it is to be noted that Senqu has a relatively high proportion of professionally skilled persons (23.46%);

Income:

50.25% of the households earn no income at all.

21.39% of households earn between R1 and R1600 per month; and

Almost two thirds of Senqu households are indigent. More than a quarter of the households (6 134) earn R400 or less per month.

NOTE: This reflects Senqu's low economic base, which negatively affects investor confidence, their investments and has serious negative repercussions for the economy and the municipality overall.

Fewer people are able to sustain their livelihoods and afford to live and pay for services.

While Senqu has experienced positive economic growth between 2000 and 2010, the economy has been unable to create meaningful benefits for the poor. The poverty rate is 62.93% (much higher than

the provincial average of 53.61%);

The municipality has a very high youthful population which requires a high need for employment, secondary and tertiary education in the region. Tertiary opportunities are offered outside the region. As summarized, Senqu Municipality experiences a youthful population with low skills levels and high unemployment. The majority of the population live in rural villages and rely on social grants. There is high migration to the more urban areas inside and outside the municipality for employment and educational opportunities. The high “out migration” to areas outside the municipality has an annual season with persons returning for Easter and Christmas holidays. Persons also tend to return to the traditional areas when they are faced with illnesses that require high caring from relatives;

The traditional employment opportunities in agriculture and the commercial sector for low skilled workers do not appeal to the better educated youth;

Senqu is a poor area with:

High levels of service backlogs;

Poverty;

Unemployment;

A very small tax base to pay for services;

Limited skills base; and

Reliance on public sector employment.

NOTE: The Municipality disputes the accuracy of the figures relating to the population. Due to the scattered and mountainous terrain of the municipality, the rural population was not adequately accounted for in the census.

- Population Figures & Gender and Race
- As per the statistics reflected within the IDP of 2017/2022 the following figures and statistics are additionally noted:
- The male/female split in population was 88.1:100 (Male: Female) in 2016. The Municipality effectively has more females (53.17%) than males due to the high “out migration” of males looking for work due to historical factors;
- According to (Ecsecc,2017:13) there were 75 400 (53.17%) females and 66 400 (46.83%) males;
- The largest population group is between 0-14 years of age who make up 32.7% of the population and this indicates a very youthful population that the LED Strategy is required to take into account in order to ensure employment opportunities in the future.
- The category with the second largest number of people is the young working age (25-44 years) age; and
- The composition of the households by population group shows that Africans are the largest group of 97.3%, followed by Whites at 1.2% and then Coloureds at 0.9%. The smallest population group in terms of households is the Asian population group with only 0.6% in 2016 (Ecsecc,2017:17).

• Poverty Levels

The poverty gap measures the depth of poverty by measuring the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. “It is estimated that the poverty gap rate in Senqu Local Municipality amounted to 30.0% in 2016 - the rate needed to bring all poor households up to the poverty line and out of poverty. In 2016, the poverty gap rate was 30.0% and in 2006 the poverty gap rate was 32.5%, it can be seen that the poverty gap rate decreased from 2006 to 2016, which means that there were improvements in terms of the depth of the poverty within Senqu Local Municipality (Ecsecc,2017:63)”.

1.6.3 Service Delivery Challenges

A number of Service Delivery challenges appear to exist, and these are reflected generally as follows:

• Water

As per STATS SA, 2011: 7 209 households out of 38 046 households reflect the unserved population. This figure reflects a percentage below 20%;

• Sanitation

Sanitation provision has improved, and it is noted that currently 6,7 % of the population does not have any access to sanitation at all (STAT SA,2016). Senqu continues to work towards eradication all old, “decaying” and poorly designed water and sanitation systems that simply cannot handle the current demands placed upon them.

• Electrification and Telecommunication

It is acknowledged that these networks are mostly inadequate and poor quality is experienced in many areas. In addition, it is noted that a great deal of electricity leakages/losses are experienced, and it is the intention to address this in a manner that produces desired outcomes and reduces these losses;

Waste management

While success has been achieved with the waste removal function, it is acknowledged that challenges are experienced in terms of old vehicles that require maintenance. The development of solid waste sites and the maintenance of solid waste sites can be challenging (especially in terms of supply chain management issues and when attempting to obtain required Environmental Impact Assessments as these are reliant on third parties). Recycling efforts also remain limited due to financial constraints;

• Environmental Management

The concept of sustainable development has been integrated into many elements of governance in South Africa. For example:

National government has committed to achieving the Millennium Development Goals (one of which relates to environmental sustainability).

Sustainable development is a powerful theme throughout the Constitution and underpins all environmental management legislation developed since 1994. Importantly, the Constitution and legislation places an obligation on local government to provide services in an environmentally sustainable manner.

Local government has a duty to protect the ‘environmental rights’ of its citizens. The Municipal Systems Act states “The Constitution of South Africa envisages a robust local government system, which can provide democratic and accountable government for local communities; ensure the provision of services to communities in a sustainable manner; promote social and economic development; promote a safe and healthy living environment; and encourage the involvement of communities and community organisations in the matters of local government.”

It is important to note that the Municipal Systems Act reinforces the above when it spells out the rights and duties of municipal councils. It states that these include inter alia that the municipality (having regards to practical considerations) has the duty to strive to ensure that the municipal services are provided in an environmentally sustainable manner. Municipalities must also promote a safe and healthy environment. This role is reiterated in the section dealing with the executive and legislative authority of

the municipality.

Service delivery within this area is poorly provided due to limited financial and human resources provision. This makes it extremely difficult to enforce related by-laws. As a direct consequence, many town planning by-laws are broken, and illegal land invasion occurs regularly. The greatest challenges faced in terms of environmental issues include the following:

- Alien vegetation eradication (specifically the Crack Willow which grows along the Kraai River and sucks up litres of water);
- Firewood collection that results in the destruction of trees;
- Grassland burning (indiscriminately) which heightens air pollution and loss of biodiversity;
- Dipping tank locations as these can poison water supplies (from streams);
- Borrow Pits which are not adequately rehabilitated;
- Drainage culverts that can either hinder or promote gulley erosion;
- The proximity of all wastewater treatment works which may result in water contamination (risk of flood damage and spillage into dams, rivers and wetlands) causing contamination generally and risk to animals);
- Soil erosion which is the highest in the Joe Gqabi District Municipality (JGDM) due to marginal soils being utilised for inappropriate agricultural practices;
- The registration and management of solid waste disposal sites;
- The lack of recycling at waste sites;
- The burning of and inadequate collection of waste at times that may lead to illegal dumping;
- Inappropriate land and hygiene practices leading to increased sedimentation and pollution of fresh and groundwater sources; and
- The increased invasion by alien and undesirable species like Slangbos and blue bush near Lady Grey and limited protection of environmental sensitive areas.
- Overall it may be stated that limited financial and human resources make it extremely difficult to control the environmental factors that present themselves.

• **Access Roads and Bridges**

Access roads and bridges in the rural areas are generally of a very poor standard, due to the lack of maintenance and staff. It is also noted that rural people do struggle to access services due to these factors and especially during the rainy period when the roads become impassable and flooded. Access to clinics and schools remains a challenge as people are required to walk long distances and the quality of the service is limited.

1.6.4 Concluding Statements: Demographics

- a) Population studies have indicated that Senqu is characterized as having a youthful population with low skills and high unemployment. There is there for a high need for tertiary and secondary education;
- b) The majority of the population lives in rural villages and relies on social grants.
- c) The majority of the population are black Africans.
- d) There is high migration to the more urban centres inside and outside the municipality for employment and educational opportunities.
- e) The high “out migration” to areas outside the municipality presents as an annual season with persons returning for the Easter and Christmas holidays;
- f) Senqu has an exceptionally low rate base;

- g) There is a corresponding need for infrastructure and social services due to the high number of indigent people. This means that there is a risk that the Equitable Share contribution will remain insufficient to provide basic services as set out in the Constitution;
- h) Agriculture and Tourism are the major economic drivers of the local economy;
- i) Tourism reflects as a key potential economic sector, and economic driver, particularly with the inclusion of the country’s only ski resort, Tiffendell; and
- j) Senqu is characterised by scenic beauty, hiking and wildlife attractions and trout fishing.

Natural Resources

NATURAL RESOURCE	
Major Natural Resource	Benefit / Potential
Mountains	Beautiful scenery (adventure and agricultural tourism)
Wind	Off grid and cleaner sources of electricity from wind
Rivers	Game fishing and tourism

More specifically and as reflected within the IDP it must be noted that Senqu’s rugged terrain is able to be utilized for adventure and agricultural tourism which is already occurring, such as the case of the “Salmon Skyrun”.

Numerous varieties of sandstone are available and have a variety of uses, such as: building bricks or paving - as is being provided from Hershel Sandstone. It must be noted that there is also a great deal of fine river sand for building purposes, but this needs to be monitored as a great deal of illegal sand mining occurs without permits.

The high levels of wind and solar energy facilitate the use of greener energy alternatives such as wind and solar energy (JGDM Environmental Management Plan 2011). Despite this it is acknowledged that these types of alternatives require further study and mapping.

The Senqu District is home to many bird species and a vulture restaurant is located near Lady Grey. It contains many species of the unique alpine plants and an example of this is the red-hot poker which does not grow anywhere else.

In addition, many paleontological species are being discovered in the area with many dinosaur skeletons as well as rock art.

SERVICE DELIVERY OVERVIEW

1.7 Service Delivery Introduction

Free Basic Water and Free Basic Sanitation statistics are handled by Joe Gqabi District Municipality (District Municipal Function) and not Senqu Municipality.

FREE BASIC REFUSE REMOVAL					
No. of Indigent (poor) beneficiaries	No. of other beneficiaries (non-indigent)	Total beneficiaries	Level of Service	Type of subsidy e.g. Equitable Share	Frequency of waste collection e.g. once a week or twice a week
2 414	0	2 414	On site appropriate & regularly supervised disposal	Equitable share	Once a week
			Community transfer to central collection point	0	0
			Curbside Collection	2 414	1 x Week
			Other (Please specify)	0	

FREE BASIC ENERGY	
No. of Indigent (poor) beneficiaries	13027
No. of other beneficiaries (non-indigent)	0
Total beneficiaries	12088
No. of Indigents configured in Eskom database	11661
No. of Indigent who collected tokens and the % thereof	8269
Beneficiaries provided by Eskom	7533
Beneficiaries provided by Municipality	736
Non-grid energy Beneficiaries	497
level of Service (e.g., 50 kWh per household) or the Rand value in the case of non-grid	259.82

1.7.1 Financial health overview

The following dashboard information and tables indicate the municipality's performance in terms of National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas. As an overall assessment, the following indicators are highlighted

	2021/2022	2022/2023
Capital charges to Operating Expenditure	12%	12%
Liquidity: times	3	2.7 times
Outstanding debtors to Annual Revenue	0.14%	0.12%
Creditors to cash	2.3%	23 days
IDP regulation financial viability figures	2021/2022	

Debt Coverage	3 time	2.7 times
Outstanding Service Debtors	153.8%	137.7%
Cost Coverage	19 months	19 months

ORGANIZATIONAL DEVELOPMENT OVERVIEW

1.7.2 Organizational Development Performance

Reference is made to Chapter 4 as this issue is dealt with and reported on extensively in this section.

a. Introduction to Employee Personnel

This aspect is to be examined with reference to Chapter 4.

Generally the Human Resources function is considered to have been well managed overall. The institution strictly adheres to the Human Resources Strategy, Employee Performance, Recruitment and Selection Policy and the Employment Equity Plan when planning for the appointment of staff. As an innovation the municipality intends to explore using the e-recruit, where people will submit their application online and limit the risk of paper sharing from one individual to another,

- i. The Employment Equity targets have been met as per its Employment Equity Plan and reporting to the Equity Registry /Department of Labour, for target groups employed in the three highest levels of management continues in compliance with the municipality's approved Employment Equity Plan. The demographics at that sphere of Top Management are as follows
 - a. 3 African Males; 1 Coloured Male; and 2 African Females. Of the 6 people in the top management, 2 positions became vacant during the financial and they that of the MM and that of the CFO. Subsequent to that, the position of that MM was successfully filled in July 2023 while that of the CFO remains vacant but with a person acting on it.
 - b. The category of **Middle Management** has been combined with the category **Professional qualified and experienced specialist and mid-management**.

The following targets were achieved: 19 African Males; 1 Coloured Male; 17 African Females and 3 Coloured Females.

- i. Only critical positions were filled within the financial year under review.
- ii. The Employment Equity Plan was reviewed quarterly, and reporting was conducted as required. The Employment Equity Report was captured on the Equity Registry Site before the legislated date for electronic submissions i.e. January 2023.
- iii. All staff are in possession of job descriptions, and these were written according to the TASK system of Job Evaluation. Notwithstanding, the Municipality recently underwent a restructuring exercise and currently all job descriptions are being redrafted according to said new structure. The job descriptions have been re-evaluated by the PJEC'S appointed locally. This will continue to occur thereafter, as and when there are changes to either the organizational structure or the job profiles.
- iv. The organogram was reviewed and approved by the MM and noted by Council on 31 May 2023.
- v. Skills Retention remains a challenge, especially due to the geographical location of the municipality (rural nature) and the inability to offer competitive salaries; and
- vi. Staff capacitation remains of critical importance and the development, and the implementation of the Workplace Skills Plan ensures that this occurs in a planned manner. Most trainings within the financial year took place virtually due to Covid restrictions.

c. Managing the Municipal Workforce

Numerous and varied efforts have been made in order to ensure that the municipal workforce continues to be effectively managed. Historically it is noted that a strong administrative support structure was created in order to facilitate this process. More specifically, it is noted that:

- i. Policies and procedures have been put in place, not simply as a matter of compliance, but to ensure that the manner in which work is performed occurs under guidance and with fairness to both the employer and employee. Funding constraints are the greatest challenge experienced when attempting to ensure that this occurs;
- ii. Occupational Health and Safety Committees have been formed and are functional with reporting occurring.
- iii. In line with the Performance Management Policy, the strategic approach in separating the institutional and employee performance has been effected.
- iv. Risk is managed through the establishment and implementation of a Risk Management Committee and the development of of the Risk Management Plan for the Insstitution.

d. Capacitating the Municipal Workforce

Capacitating Councillors, management and staff underpins the deliberate approach by the Management to grow and develop its own human capital as a lasting solution to the problem of skills shortage and skill drain experienced by the institution. Progress in that approach is ongoing and is beginning to bear fruits as some of the managers and professional staff members were once interns in the institution:

- i. The Workplace Skills Plan (WSP) together with all supporting documentation was adopted in April 2022 is aligned to the IDP performance objectives and incorporates the future needs of the Municipality and Personal Development Plans.
- ii. Efforts are continuously made to ensure that only competent service providers are used in the delivery of training initiatives and to this end “value add” is imperative.
- iii. The municipality continues to receive FMG Interns that are funded by Treasury and other interns who are taken for experiential training from institutions of higher education

e. Managing Workforce Expenditure

Very strict protocols exist in an attempt to ensure that workforce expenditure is managed effectively and correctly and in line with the National Treasury norms.

AUDITOR GENERAL'S REPORT

This report is detailed in Chapter 6 of this document.

1.8 STATUTORY ANNUAL REPORT PROCESS

ANNUAL REPORT PROCESS TABLE		
No	Activity	Time frame
1	Consideration of next financial year's Budget and IDP process plan. In-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft previous financial year Annual Report and evidence to Internal Audit and the Auditor-General including annual financial statements and non-financial information	August
5	Municipal entities submit draft annual reports to MM	
6	Performance Audit Committee considers draft Annual Report of municipality	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	September - October
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data 1	November
10	Municipalities receive and start to address the Auditor General's comments	
11	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	January
12	Audited Annual Report is made public and representation is invited	February
13	Oversight Committee assesses Annual Report	February – March
14	Council adopts Oversight report	March
15	Oversight report is made public within seven days of its adoption	April
16	Oversight report is submitted to Legislatures, Treasuries and CoGTA	

Comments on the Annual Report Process

- The table above defines all the deadlines required to be met in terms of compliance. In this manner it is ensured that all required reporting occurs timeously and is an accurate consolidation of all required reporting.
- The Annual Report is acknowledged as the strategic document that accurately depicts an annual review of performance for the entire year. It is this document that will be used for all forward planning and for this reason it is imperative that there is alignment and verification between all content shown between and within the IDP, SDBIP, Budget (AFS) and the Annual Report.
- The Annual Report is required to reflect the most accurate, aligned and consolidated version of all preceding documents. This is achieved through a very structured process of auditing (internally and externally). Through validation and confirming the accuracy of data, the Annual Report may be used to inform the IDP review process; the structuring of the organogram; the development of SDBIP's; Performance Planning; the development of the Budget and the like.
- The Annual Report provides a holistic view of the organization – its challenges, available resources, and records of performance.

- The Annual Report is required to comply with very definite prescripts and timeframes as follows:
- The Annual Performance Report (s46) and Annual financial statements were compiled and submitted to the Auditor General by 31 August 2023; and
- The draft Annual Report 2022/2023 was tabled on or before 26 January 2024, and the Final with an Oversight report was submitted for approval on before 27 March 2024.



CHAPTER 2

GOVERNANCE

CHAPTER 2: GOVERNANCE

2. INTRODUCTION TO GOVERNANCE

“Governance” involves the interdependence and interaction that occurs between four critical components which will be examined further below. The concept of “Governance” requires that one take a holistic view of these four (4) components, to establish whether the organization is functioning effectively and achieving its required objectives.

The following four (4) components are discussed to examine and understanding “Governance” appropriately:

Component A: Political and Administrative Governance

Component B: Intergovernmental Relations

Component C: Public Accountability and Participation

Component D: Corporate Governance

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

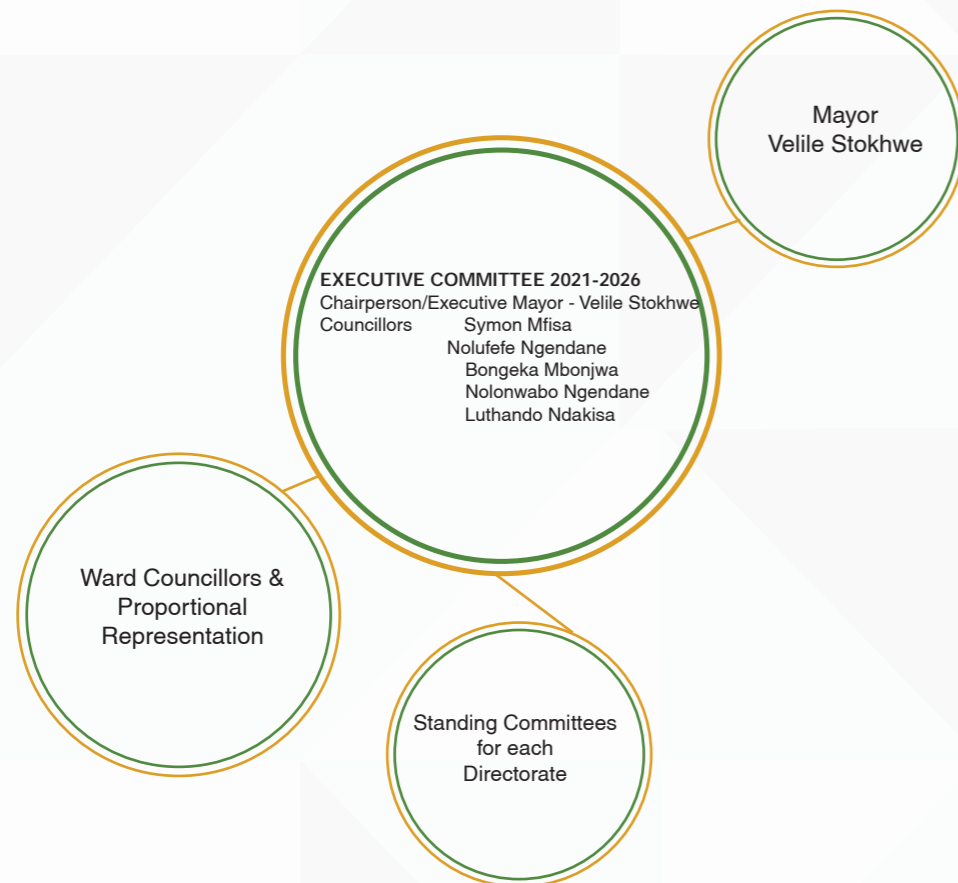
2.1 Introduction to political and administrative governance

2.2.1 Political Governance

Introduction to Political Governance

As per the Municipal Structures Act, Act No. 117 of 1988, Senqu Municipality has a **Council Executive System**. In terms of this and as depicted within the diagram below, it presents as a democratically elected Category B municipality with a structure that is categorized by elected Ward Councillors and Proportional Representative Councillors.

Political Structure 2021 - 2026



a. Councillors

Refer to **Appendix A (Chapter 6: Glossary)**: Full list of Councillors (including the Committee allocations and attendance of Council meetings).

The Senqu Municipal Council is comprised of 34 Councillors (Ward Councillors and Party Representatives) and this is reflected as follows:

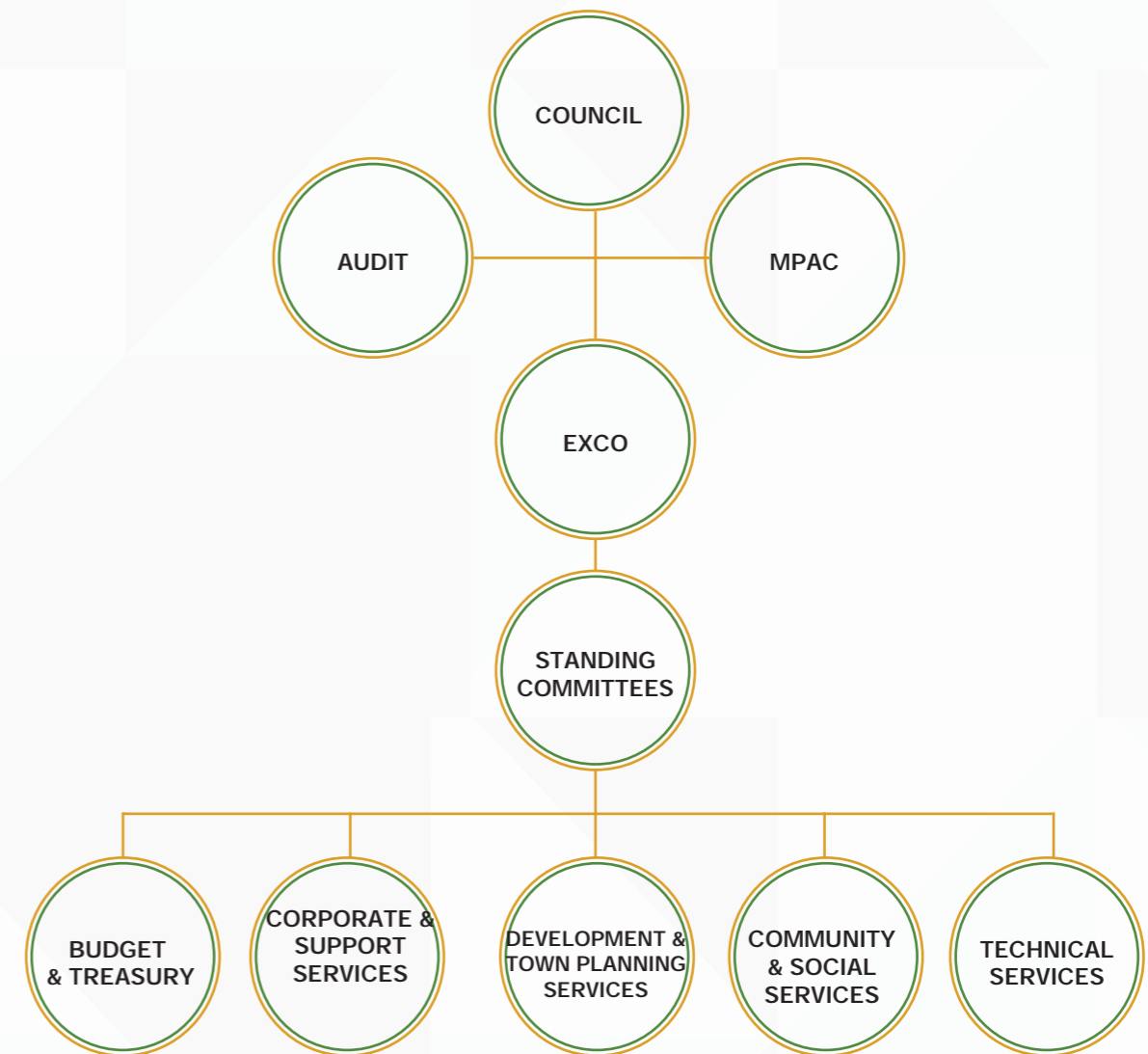
Party Representatives: 17

Ward Councillors: 17

Administrative responsibilities of Councillors/Council

b. Committees of Council (Standing Committees, MPAC, Traditional Leaders, Ward Committees et al)

Reference is made to Appendix B (Chapter 6: Glossary) which details all the committees applicable to Councillors and their purpose.



c. Standing Committees

Approved and functioning Standing Committee Structures (as reflected within the table that follows):

DIRECTORATE	FOCUS AREAS
BUDGET & TREASURY Chairperson: Cllr. Nolonwabo Ngendane Councillors: Cllr. Molefe Ms Cllr. Zandisile Mangciphu Cllr. Bukhosibakhe Cllr. Ngamlana	Management of financial resources Budget and Treasury, Revenue Services, SCM, Stores and Expenditure Management Policies, Procedures and By-laws (MFMA and National Treasury) Financial support to all Departments Information Technology Support Fleet Management eNatis Licensing
DEVELOPMENT AND TOWN PLANNING Chairperson: Cllr. Bongeka Mbonjwa Councillors: Cllr. Thulisa Mbane Cllr. Dumisani Somsila Cllr. Akhona Mvelase Cllr. Tshepiso Madiene	Support to community participation structures Housing, Town Planning and Land Use Management Integrated Planning and Economic Development LED
COMMUNITY AND SOCIAL SERVICES Chairperson: Cllr. Nolufefe Ngendane Councillors: Cllr. Kholiwe Mpiti-Xhelesha Cllr. Busaphi Duba Cllr. Mcebisi Mgojo Cllr. Pulane Mmele	Community based service provision: Cemeteries, Environmental management, Libraries and amenities Traffic Services – Law enforcement Community based by-laws Waste Management and Refuse

CORPORATE & SUPPORT SERVICES Chairperson: Cllr. Symon Mfisa Councillors: Cllr. Thenjiwe Dumzela Cllr. Mahlubi Phuza Cllr. Zuziwe Mnisi Cllr. Ndileka Nyongwana	Council Administration, Assets and Building Preservation Council Support and ward support HR & Labour Relations Employee Performance Stakeholder Relations – participation Customer Care/ Presidential Hotline Legal Services / Compliance Special Programmes (HIV Aids Youth, disabled, elderly and woman) By-Laws Facilitation Document Management
TECHNICAL SERVICES Chairperson: Cllr. Luthando Ndakisa Councillors: Cllr. Melisizwe Kafile Cllr. Nonkusele January Cllr. Mzuvelile Mbutyu Cllr. Thulisa Mbane	Infrastructure Development (Maintenance and Minor Construction) Technical Service Delivery Electricity Roads (Maintenance and Minor Roads Construction) and Stormwater PMU Project Management /Administration Fleet Management

d. Audit Committee

MEMBER	POSITION
Mrs. F Mushohwe	Chairperson
MR. S. Maharaj	Ordinary Member
Mr. A Makhabeni	Ordinary Member
Mrs. N. Hermanus - Mabuza	Ordinary Member

e. MPAC (Municipal Public Accounts Committee)

The committee is constituted as follow:

MEMBER	POSITION
Cllr. Kholiwe Mpiti-Xhelesha	Chairperson (Acting)
Cllr. Mchumane Ntlwatini	Member
Cllr. Tshepiso Madiene	Member
Cllr. Pulane Mmele	Member
Cllr. Babalwa Lawu	Member
Cllr. Dumisani Somsila	Member

Cllr. Akhona Mvelase	Member
Cllr. Mahlubandile Phuza	Member
Cllr. Lunga Nongongo	Member

Functions of MPAC

- Provision of an oversight role in respect of the administration and executive committee of the council.
- Reviewing the municipal / municipal entity's quarterly, mid-year and annual reports and providing an oversight report on the Annual Report for consideration by Council.
- Assisting Council to maintain oversight over the implementation of the Supply Chain Management Policy.
- Examining the financial statements and audit reports of the municipality and municipal entities (considering improvements from previous statements and reports);
- Evaluating the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented.
- Promoting good governance, transparency, and accountability on the use of municipal resources.
- Examining the Mid-Year Review documents in line with the Integrated Development Plan (IDP); and
- Recommending or undertaking any investigation that falls within the scope of this committee's responsibilities/ area of competence.

To fulfil its functions MPAC is required to:

- Seek / have access to any information required from any councillor/employee.
- Report to council on the activities of the committee.
- Perform any other function assigned to the committee through a resolution of Council.
- Call upon the accounting officer of the municipality or the chairperson of the municipal entity to provide information or clarity.
- Request the support of the internal and external auditors when necessary.
- Engage directly with the public and consider public comments when received.
- Have permanent referral with regard to the following reports:
 - Mid-year /In-year s72 wreports
 - Annual Financial Statements
 - Reports of Auditor General and Audit Committee
 - Any other financial audit report from the municipality
 - Information on compliance in terms of sections 128 and or sections 133 MFMA
 - Information in respect of any disciplinary action taken in terms of MFMA on matters serving or having been served before the committee; and
 - Performance information relating to the municipality.

f. Ward Committees Establishment and Functionality

Ward Committees were established in terms of section 73 of the Municipal Structures Act 117 of 1998.

Purpose

As per s74 of the Municipal Structures Act 117 of 1998, the purpose of these committees is to assist Municipal Councils to ensure that ward issues are properly communicated to Council and are catered for should there be a need for a budget to address such issues. Ward Committees play a critical role in achieving the above. Ward committees are essentially a representative structure of the community and citizens and they are created in order to be in a position to inform the municipality regarding the issues,

goals, aspirations and difficulties experienced by community members.

Ward Committee meetings provide the community and the municipality with an opportunity to engage and to facilitate what is in essence and in simplified form an opportunity for two-way communication. Ward committees have an extremely important role to play in ensuring that there is active participation and involvement from the community when determining core municipal process. These include: Integrated Development Planning, municipal budgeting and municipal performance management processes. Should these processes occur without this involvement it is fair to say that our system of "democratic government and developmental local government" will not be considered to have been centred within the community and having representation from the community.

Ward committee meetings are required to provide opportunities to report to the Speaker on issues of interest to the municipality which are taking place in their wards. This process has assisted the municipality in ensuring that public participation is enhanced, and accountability of the municipality is not compromised. In the past and in the brewing protests in Sterkspruit for example, information was communicated via this channel, especially on issues such as Municipal Public meetings and other information sharing sessions.

During 2021/2022the targeted number of required Ward Committee meetings were held as required.

Administrative Considerations

Ward Committees were established as required and in terms of Gazette No. 1405, Notice no. 209 of 9/12/2005.

- The Municipality published its By-Laws relating to Ward Committees in terms of s13 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) read with s162 of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996).
- In terms of these prescriptions the following issues are required to apply:
- Representation on Ward Committees shall not be according to political party affiliation and will include religious, youth, civic, education, sport, culture, business, welfare, and women's associations.
- Committees are required to meet at least once per quarter and report formally to the Speaker at least quarterly through their Ward Councillor.
- The term of office of a member is a period of five years – concurrent with the term of office of Council.
- The Speaker is responsible overall for the functioning of the Ward Committees and will meet at least quarterly with all Ward Committees to discuss issues of mutual concern and issues to be addressed.
- The Speaker shall submit a 6-month report to Council on the activities and considerations of the Ward Committees.

Each Committee will be chaired by its respective Ward Councillor and only the 10 Ward Committees of the ward and secretariat is provided by the municipality to ensure that proper minutes are taken. These meetings are also used to get complaints from the wards, which are then reported to customer care who then ensures that the complaints are send to the responsible officials at the local municipality, district municipality as well as sector departments.

During Ward meetings, the community members are briefed about developments in their ward and within the municipality itself. In this manner, a consultative community structure is created and maintained; and To facilitate the smooth running of these communities a code of conduct has been developed which will in turn be work shopped.

In keeping with all required legislation, it must be noted that:

All records of meetings scheduled and attended are maintained (minuted).

Minutes of all meetings are made available.

Written proof of resolutions tabled to Council are made available.

Minutes are available for all feedback meetings with communities; and

Ward Committee activity reports are made available to all.

Community Development Workers (CDW's)

Community Development Workers (CDWs) are effectively multi-skilled public servants who are deployed at the community level in order to bridge the gap between the provision of services by government and access to those services by the communities. CDWs are deployed to municipalities where they live in order to address issues that may include lack

of information, knowledge and poor communication that communities experience in relation to municipal services.

Functioning of CDW's

- All CDW's are required to undergo the appropriate training (ensuring that they clearly understand their role and purpose).
- CDW's report monthly to their co-ordinator in Sterkspruit in order to provide operational monthly reports i.e., reports on activities performed. Issues and observations noted, are forwarded monthly to the municipality via the Speakers Office.
- All Ward Committee meetings are attended by the CDW's who also then provide assistance to the Ward Councillors in respect of the dissemination of information.
- The role and task of CDWs is to link communities with all government spheres and departments.
- CDW's work as community facilitators and organisers, focuses on the following key functions:
- Assisting communities with developing and articulating their needs
- Facilitating the development of community structures
- Facilitating public participation in government development projects (e.g. IDP, LED, infrastructure and service delivery projects and the like)
- Identifying service blockages in the community
- Finding solutions to identified needs and blockages by interacting with national, provincial, and local government structures.
- Community Development Workers are required to interact with the community, identify households in need and to ensure that community relationships are nurtured so that community participation, support and correct utilization of services occurs because of effective marketing.
- CDW's report to COGTA by utilizing designated reporting mechanisms to obtain required support and assistance for particular households; and
- Round Table Meetings are held quarterly and chaired by the Speaker. COGTA representation is to be found at these meetings. CDW's report on their activities performed, while detailing challenges experienced within the communities in which they work – with a view to resolving these at higher levels.

While this programme has achieved great success through its marketing campaigns, it is hampered by the lack of transport and telecommunications that would enable CDW's to ensure that the requested services reached the required families.

Institutional Meetings Held by Committees 2022/2023

INSTITUTIONAL MEETINGS	DATES ATTENDED - 2022/2023
MPAC	08 September 2022
	20 December 2022
	23 March 2023
	13 June 2023
	12 September 2023
EXCO	21 July 2022
	25 August 2022
	22 September 2022
	22 October 2022
	22 November 2022
	22 February 2023
	22 March 2023
	18 April 2023
	17 May 2023
	Audit Committee Meetings
22 July 2022	
02 December 2022	
10 February 2023	
Council Meetings	19 May 2023
	29 July 2022
	30 August 2022
	27 October 2022
	15 November 2022
	12 December 2022
	27 January 2023
	27 February 2023
	31 March 2023
	26 April 2023
31 May 2023	

h. Committees and Committees' Purpose

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit committee	Administrative Oversight
Municipal Public Accounts Committee (MPAC)	Oversight
Local Labour Forum	Labour Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget and Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Town Planning Services Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational Health and Safety issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

The following Traditional leaders are recognized and consulted as and when appropriate

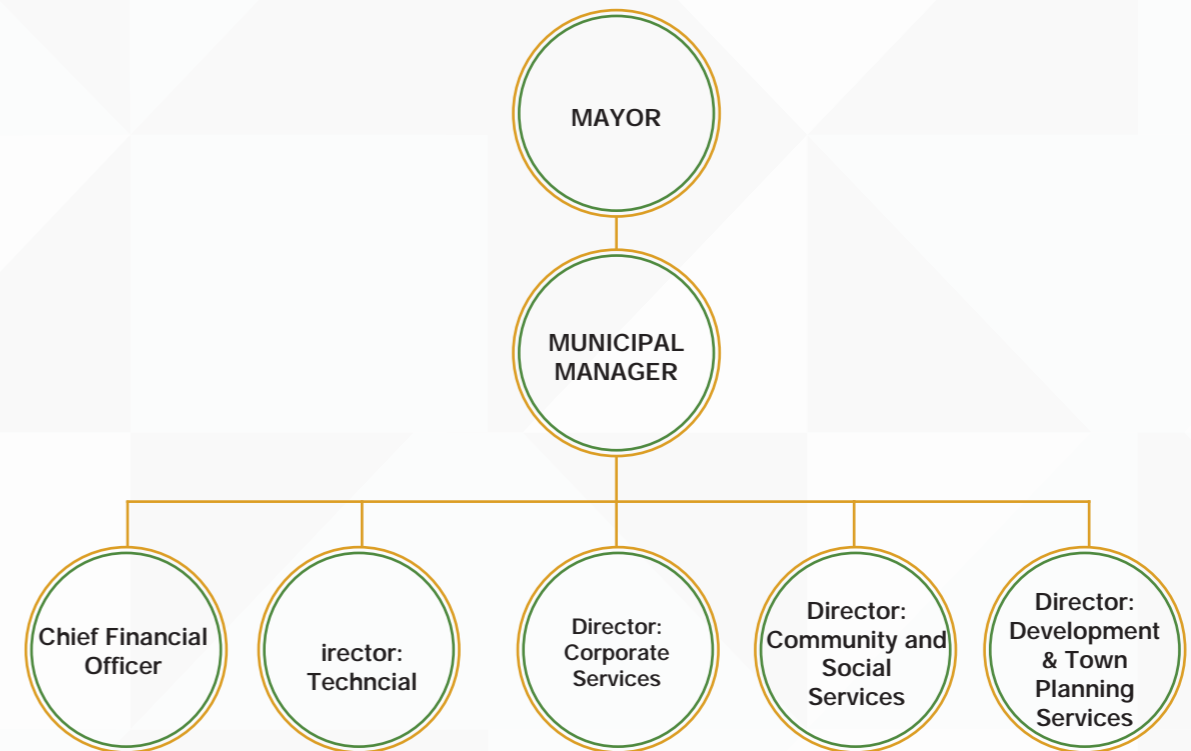
J Mguye	Traditional Leader
T Kakudi	Traditional Leader
N J Tikiso	Traditional Leader
N H Binza	Traditional Leader
Z Mphambo	Traditional Leader

Political Decision Making

2.2.2 Administrative Governance

a. Introduction to Administrative Governance

The functional structure representing administrative governance is reflected as follows:



As depicted by the diagram above, the administrative structure consists of the Municipal Manager (Administrative Head) and the five (5) s56 Directors who report to the Municipal Manager.

S56 Directors are appointed under the following conditions:

Two positions became vacant during the financial year, and they are that of the MM and that of the CFO. The position of the MM was successfully filled before the end of the financial year, while that of the CFO still remained vacant and the former CFO acting on it.

S56 directors are appointed on 5-year fixed term contract, and they are required to sign Performance Agreements annually between the Municipal Manager (to whom they report). This details their specific contract conditions and together with an annually reviewed performance scorecard, their performance goals and objectives are agreed to annually (as performance measurable targets). It is against these that their performance will be measured; and

S56 Directors' report regularly to the Municipal Manager regarding performance and issues requiring appropriate action.

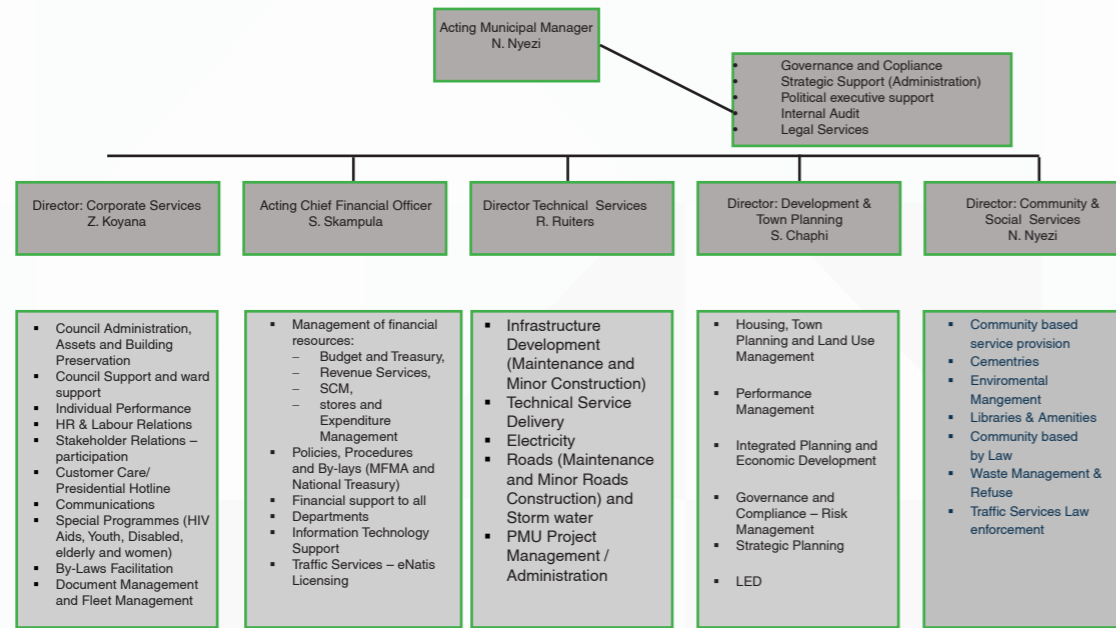
b. Reporting Relationships and Administrative Functioning

- Directors report directly to the Municipal Manager regarding functional issues that relate to their specific directorates.
- Reporting occurs according to reporting lines and recognized communication structures (encouraging

free flow of communication).

- Director's compile/present reports to Council regarding their respective directorates monthly (to the Standing Committees), who then recommend that these are approved/taken to Exco/Council as deemed appropriate (for final approval /resolution).
- Council resolutions are required to be implemented within a specific period and follow ups are required to be undertaken to ensure that this occurs timeously and, in the manner, required.
- Directors are required to meet the terms and conditions of the approved Performance Management Policy; and
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

The diagram that follows on the next page details each directorate, the name of its director and the functional requirements for each directorate



COMPONENT B: INTERGOVERNMENTAL RELATION

2.2.3 Introduction To Co-Operative Governance And Intergovernmental Relations

It is recognized that organizations benefit from both individual and shared experiences. In this manner, opportunities are created for organizations to share and learn from each other and to develop more effective skills in handling day to day operations and specific challenges.

Efforts to improve and facilitate these relationships has led to the development of IGR (intergovernmental relations) structures which have been put in place and are driven at the level of the district. The IGR Forum has been established to formally promote and to improve this process.

To govern and facilitate this process further, an Intergovernmental Relations Framework Policy was adopted by the district (Joe Gqabi District Municipality) and related structures were created that were linked to the following clusters:

Social Needs.

Economic and Infrastructure.

Safety and Justice; and

Governance and Administration.

These clusters meet within the district by-monthly, in order to discuss service delivery, policy issues, integration, co-ordination, monitoring and evaluation.

Existing and Functional Structures

Aside from the clusters, the following structures exist:

The District Technical Task Group.

The District Mayor's Forum (DIMAFU).

Meets quarterly to align key programmes and issues that relate to municipalities.

This is a s79 committee (special committee that consists of Mayors of all Local Municipalities within Joe Gqabi District Municipality).

- **MUNIMEC Meetings.**

Attended by Mayor and Municipal Manager.

Driven and coordinated by MEC for Co-operative Governance (to evaluate the performance of government programmes)

- **Presidential Hotline**

- The Presidential Hotline is still functional, and more citizens have shown interest in lodging complaints on this platform.
- Targets are being met in relation to resolved cases and escalation within 7 days. 12 reports have been submitted for the 4 quarters.
- In the 1st quarter there were 2 complaints of which 1 was misallocated bring the stats to 98% resolved cases. In the 2nd quarter there were no complaints having a 100% resolution rate.
- In the 3rd Quarter there were no complaints lodged on the Presidential Hotline, but the Public Liaison Officers took a decision to assist Joe Gqabi District Municipality and Walter Sisulu as they were having many backlogged cases which was bring the overall percentage of the district down.
- In the 4th Quarter there was one cases opened and was resolved.

- The Presidential Hotline still requires more branding and marketing as it is still used by a small community. This will also assist the Municipality in

- **Intergovernmental Relations**

National Intergovernmental Structures

All the programmes that are developed by Senqu Municipality are derived from the legislative policies that are approved by National and Provincial Government. The Local Development strategies in Senqu Municipality's Integrated Development Plan are aligned to the National Development strategies and policies.

- **Provincial Intergovernmental Structures**

Munimec meetings are attended as and when run. Munimec technical team and political team meetings are scheduled and attended accordingly. These meetings are held to discuss and to resolve issues of mutual interest with neighbouring municipalities. Reference is made to Appendix D (detailing a complete list of entities and delegated functions).

- **District Intergovernmental Structures**

Efforts to improve intergovernmental relations are driven at the level of the district. The IGR Forum has been used in the past to promote this process and Joe Gqabi District Municipality has adopted an Intergovernmental Relations Framework Policy. Intergovernmental structures were created historically (linked to the clusters of Social Needs; Economic and Infrastructure; Safety and Justice and Governance and Administration). Notwithstanding it must be noted that the District IGR Forum has not been active for the last two financial years.

- **Additional structures have and do include:**

The District Technical Task Group.

The District Mayor's Forum (DIMAFU) – meeting quarterly in order to align key programmes and issues between all municipalities within Joe Gqabi District Municipality. This s79 committee comprises the Mayors of all local municipalities within the district.

As is clearly observed, in this manner, many opportunities are provided for the benefit of both district and local municipalities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Every year formal opportunities are created to provide the public with opportunities to input into organizational objectives and the manner in which services need to be and are addressed. In addition, they are given opportunities to “interact” with information regarding service delivery, operational and financial performance (IDP and Budget meetings, SDBIP reporting, Performance and Annual Reports and the like). In this manner, a “people centered” organization is created – one in which the needs of the community are noted, and plans are made to address these through processes of interaction and inclusion.

The IDP Process and Budget Plan are just a few of the structures that have been created to ensure that public participation occurs effectively – ensuring that the needs of the public are met.

Public Meetings

Communication, Participation and Forums

The 5-year Communication Strategy and the Public Participation Plan were both approved by the Council on 30 July 2021. Unlike the previous years where it was difficult to hold public gatherings, during this financial year, the municipality fully met its targets and consulted its stakeholders conventionally. Although people were still skeptical, these sessions continued as planned and their attendance was good. This was also amplified using other conventional methods like use of radio stations, Live Streaming (Sterk TV) and other forms of media. Public participation has improved much over the year and the “voice of the people” has been the center of our developmental planning and strategies.

Other Role-players Used to Improve Public Participation

In addition, the following role-players are used to heighten and improve public participation overall:

a. Community Development Workers (CDW's)

The CDW's report to province, but also report to the municipality via the Round Table Meeting which is held quarterly. Communication and cooperation is facilitated by these round table meetings where issues relating to the wards may be discussed. These discussions are chaired by the Speaker and meetings are constituted as follows: Ward Councilors', Traditional Leaders, Local Government, Traditional Affairs Representatives and CDW's.

b. Economic Development Forum

This forum is required to meet quarterly and comprises all stakeholders involved in LED. Issues and challenges relating to LED implementation are discussed and the forum monitors the implementation of the LED Strategy.

c. Communications Forum

This forum meets quarterly to discuss issues relating to communications within the region. It consists of local municipal communicators, GCIS and local media representatives. Meetings will again be held once COVID restrictions and regulations are relaxed, and operations are normalized.

d. Ward Committees

As s73 structures (as per s73 of the Municipal Structures Act, Act 117 of 1998) these have been created to facilitate ward communication with Council.

Committees are required to meet monthly and report to the Speaker regarding issues of interest. Historically, meetings have not always been held as regularly as required and in an effort to improve attendance, the payment of stipends was recommended by the National Treasury. Financial constraints have impacted negatively on this.

Senqu Ward Committees are effective in the sense that issues raised by ward committees are reported on quarterly to the Executive Committee. This ensures that council in general is always on board of functionality of the ward committees.

Reference: Appendix E (Ward Committee Governance) and Appendix F (Performance Data for Wards)

e. Comment on Effectiveness of Public Meetings Held

The Public Participation Plan was approved and adopted, and Public Participation Meetings were held,

IDP Participation and Alignment

s34 of the Municipal Systems Act, (Act No 32 of 2000), together with Chapter 2 of the Local Government Municipal Planning and Performance Management Regulations (No. 796/2001) requires the development and completion of the Integrated Development Plan (IDP). This 5-year document was compiled and was adopted by Council May 2021.

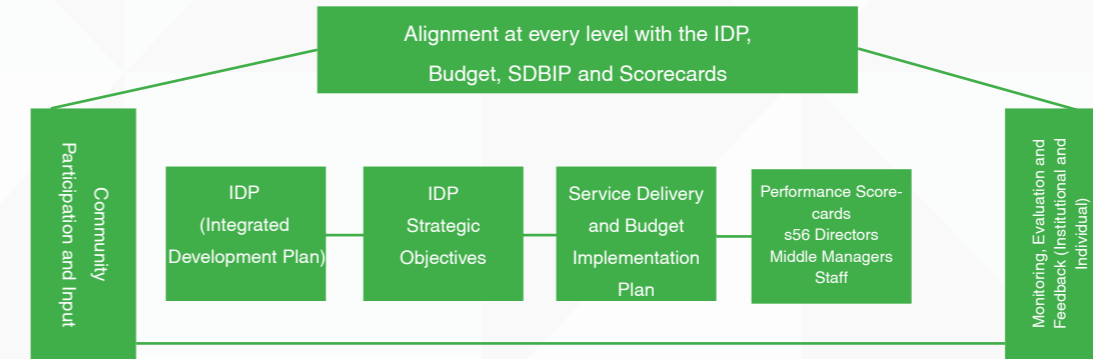
The IDP is required to correspond with each new Council's elected term of office. It is the organizations strategic document that directs and influences the functioning of the organization overall – informing and influencing the strategic direction and operation of all projects and planning that occurs internally.

The Integrated Development Plan (IDP) is explained by the diagram that follows, detailing its impact and role within the organization. More specifically the following points of explanation are noted:

- a. The IDP is developed for a period of 5 years and is reviewed annually. The strategic targets and goals consider the available resources and are developed as realistic goals that are reworked annually from the 5-year strategic goals. Available resources are considered and impact on the development and approval of annual achievable and realistic targets – aligned to the overall strategic objectives contained within the IDP.
- b. A Process Plan is developed annually which informs the way the IDP will be reviewed and managed (and public participation will be maximized).
- c. Planned meetings are detailed and scheduled as required.
- d. Performance is evaluated according to the use of the Budget Evaluation Checklist.
- e. The Budget Executive Committee meets regularly to evaluate the previous year's budget process – learning from current and past situations.
- f. It is critical that there is alignment between the IDP, Budget and the SDBIP. In this manner, the achievement of performance objectives as reflected in performance scorecards will facilitate the achievement of the IDP strategic objectives.

- g. In accordance with this philosophy, alignment must be carried through to the population of the s56 Directors' scorecards and to the levels below; and
- h. The assessment of the degree to which performance targets are achieved is facilitated through regular assessment and reporting structures. Reporting structures are in place to ensure that implementation, monitoring and feedback occurs ongoing – thereby ensuring that every effort is being made to meet the IDP objectives.

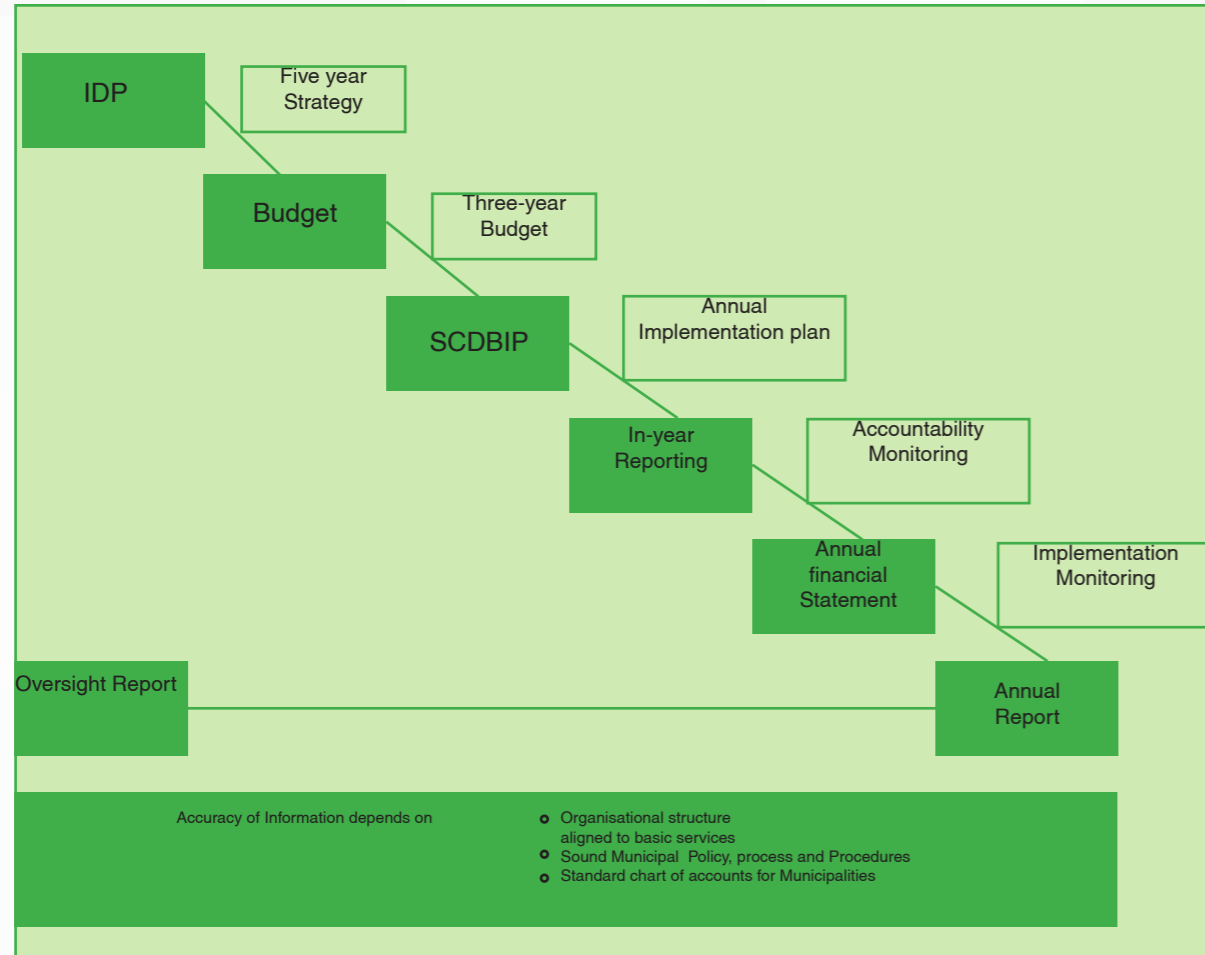
Figure: Development of the IDP through Public Participation and alignment with SDBIP and Budget



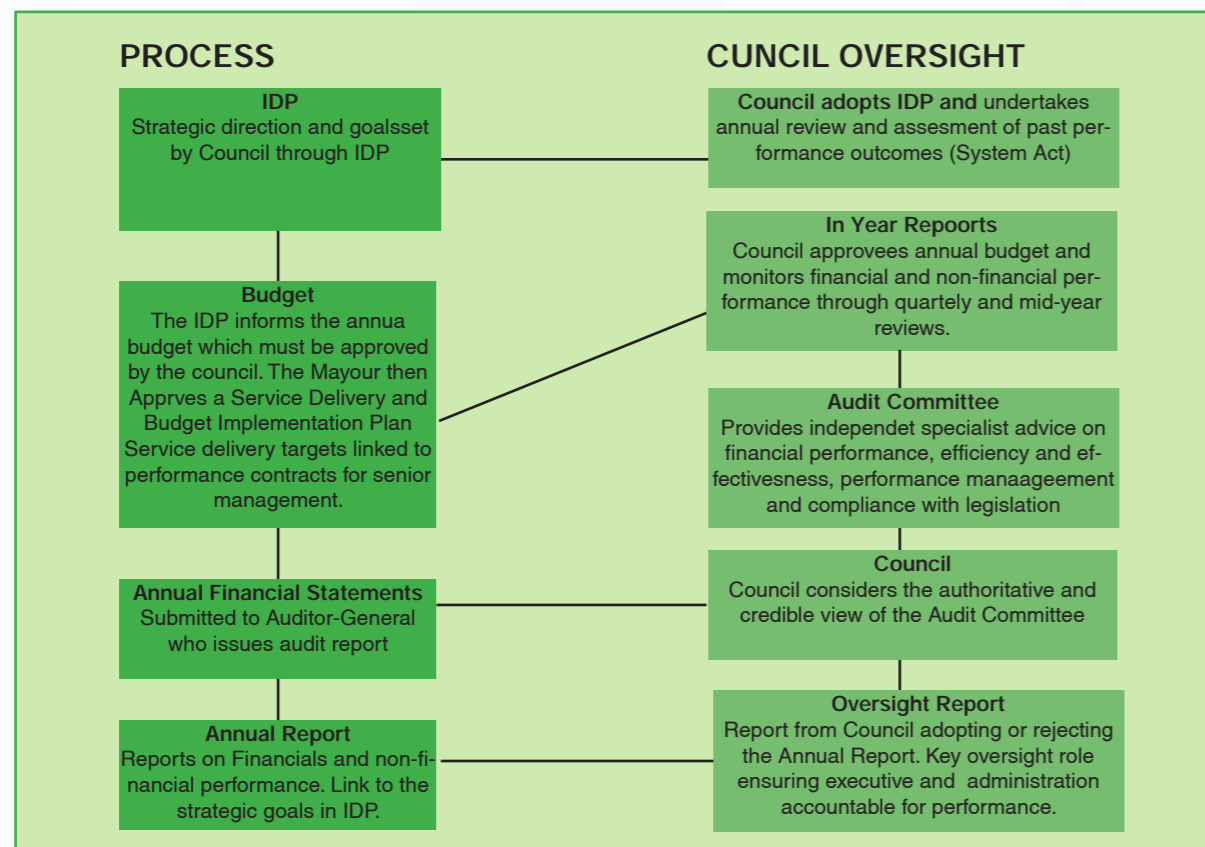
In keeping with the practice of planned IDP related consultations, the following meetings and achievements occurred:

- The development of the 2022/2023 IDP Review and Budget Process Plan was done and adopted on 30 July 2021.
- The draft IDP was adopted 31 March 2022 and the Final IDP adopted by Council on 30 May 2022.
- The required number of IDP and Budget Steering Committee meetings were not held as required due to Council going into recess in October 2021. The gave birth to the actual approved draft and final budget as inputted by all municipal stakeholders. The draft was then presented to management and to Exco prior to approval by Council. One meeting during Quarter 2 was not held as it was moved to WQuarter 3. It is realized that Compliance to the Calendar of Events must be managed and monitored.
- The Draft SDBIP was compiled and approved by the Mayor within 28 days after the approval of the budget.
- The decision of the Council to go into recess meant that no outreach was held with the community. Therefore, ward-based plans were developed in January 2022 which Ward Councilors then took to their wards to have them ratified. These ward plans were then utilised at the institutional strategic session in February 2022 to develop the draft budget and IDP which was presented to stakeholders on the 22nd of March 2022. The incoming Mayor had meetings with ratepayer associations and interested stakeholders in May 2022 to present the draft IDP and budget. The delays in the training of the incoming Council led to delays in being able to implement the usual IDP participation programme. All needs and inputs (formally identified by the community) were recorded, prioritized, and included in Council's Integrated Development Plan (which was adopted by Council). The table below provides a brief analysis of the participation and alignment that resulted in the development of the IDP and related documents.

MUNICIPAL ACCOUNTABILITY CYCLE



IDP PARTICIPATION AND ALIGNMENT CRITERIA* 2022/2023	YES/ NO	COMMENT
Does the municipality have impact, outcome, input, output indicators?	Yes	
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	
Does the IDP have multi-year targets?	Yes	
Are the above aligned and can they calculate into a score?	Yes	
Does the budget align directly to the KPIs in the strategic plan?	Yes	
Do the IDP KPIs align to the Section 56 Directors	Yes	
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	
Were the indicators communicated to the public?	Yes	
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	



COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate ibed, in order to ensure that the organization functions effectively and minimizes/eradicates all identified aspects of risk.

This section will detail issues relating to: Risk Management, Fraud and Anti-Corruption, Supply Chain Management, By-laws, Website access and Public Satisfaction levels --- all in terms of compliance required and the level achieved.

Risk Management

Section 62(i)(c) of the Municipal Finance Management Act prescribes that formal risk management is a matter of compliance. In terms of this, it is required that all municipalities develop and adopt an effective, efficient and transparent system of risk management.

It is acknowledged that the failure to identify and manage identified risks will impact negatively on the organisation (financially and operationally). Costs and the negative impact of failing to manage risk cannot be justified, particularly if the risk had been noted and no appropriate action was taken. The lack of appropriate action would reflect as poor business practice and poor management overall. The “fall out” in respect of this would include extreme costs to the organisation, audit queries and possible audit qualifications.

Top 5 Risks

RISK NAME	CURRENT CONTROLS	RISK MITIGATION
Ineffective maintenance of the ageing municipal infrastructure assets	Repairs and maintenance budget; and Maintenance personnel.	Systematic increments of the repairs and maintenance budget Develop a costed repairs and maintenance plans
Under-expenditure of conditional grants	Established PMU; Approved IDP; and Project Management Strategy.	Develop Procurement Strategy with aligned to other municipal strategies Implement Project Management Strategy
Loss of Institutional Memory	Established Registry Unit; Approved File Plan; Designated storage sites; and Manual document management system.	Develop a document management concept document Develop a comprehensive document management strategy
Disconnection between the municipality and community	Public Participation Strategy	Revise the Public Participation Strategy to include social cohesion activities
Illegal occupation of municipal land	Land-Use Scheme; PIE Act; Building Regulations Act; Municipal By-Laws	Develop and Approve the Land Disposal Policy Finalisation and enforcement of By-Laws

The Governance and Compliance Division of the Municipal Managers Office is location to the risk management division. The Manager of Governance and Compliance oversees the duties associated with this position. Risk remains the responsibility of each Directorate and said parties on all levels are required to manage risk within the ambit of their control. A Risk Management Committee has been established and consist of Senior Management from all Directorates, Provincial Treasury as well as a seconded member from the Audit Committee. The Manager of Governance and Compliance, who oversees Risk Management, has been designated as the Committee’s Chief Risk Officer.

The function of this committee is to ensure that from the management side, risk is facilitated in an effective and efficient manner.

This committee meets once a month to look at all risk, compliance, and fraud related issues for the purpose of addressing any findings that might have been made and report progress to the Audit Committee.

Oversight on Risk

The Internal Audit Committee provides the required oversight on all matters pertaining to risk (both internal and external). The top five (5) risks as reflected within the table above receive priority. Notwithstanding risk is identified on all levels and where at all possible, contingency plans are put into place to mitigate risk. The oversight role involves making a comparison between perceived and actual risk experienced. Recognized practices and processes are utilized to measure and assess the manner in which risk is minimized and the manner in which reporting, and controls are undertaken, so as to manage risk effectively.

To facilitate monitoring, oversight and management, the following structures and reporting mechanisms were utilised:

A Risk Management Framework and Policy have been developed and are updated regularly except for the current year –in which no policies were reviewed. In this manner, a standardized approach to risk management and commitment to such throughout the organization is achieved.

The municipality has developed a Risk Profile in which risks are identified and rated – illustrating the gravity of the risk and action plans required to resolve this risk – which is then ideally monitored and reported on.

- Directorates/Departments are advised on mitigating measures that are required to be implemented in respect of identified risks.
- The Risk Action Plan for each Directorate is required to be developed, monitored, and reviewed annually.
- The IT Disaster Recovery Plan was reviewed, and no changes required or made.
- To combat fraud, to prevent any inappropriate influences regarding supply chain management processes and awards and as a matter of compliance, all staff members and Councillors signed their disclosures in the Conflict-of-Interest Register.
- The Declaration of Conflict-of-Interest Register was developed and tabled for both Councillors and employees; and
- The Fraud Risk Workshop and Awareness was not held as planned due to the clashing timeframes of the municipality and ECCOGTA, as an effort to promote fraud prevention the municipality distributed fraud prevention pamphlets within the municipality.

Litigation Issues

The municipality is currently involved in the following litigation issues that could result in damages/loss awarded against/ in favour of Council if claimants are / Municipality is successful. The following cases apply:

LITIGATION ISSUES	2021	2022	2023
Dibanani Consulting CC v Senqu Local Municipality. Claim for the recovery of professional consulting engineering fees for road construction projects in Tienbank and Herschel. The Municipality has defended the action. Whilst the matter is active, the litigation has not advanced. The claimant relies on variation orders which they are unable to produce because they do not exist. The Makhanda High Court is likely to issue a judgement in favour of the Municipality.	R640 368.87	R640 368.87	R640 368.87
Tsembeyi V. Senqu Local Municipality Claim instituted in the High Court, Mthatha during March 2020 for the market value of the top structures of houses that Mr Tsembeyi allegedly constructed on municipal land. The Municipality has defended the action but the matter has not progressed. The claimant is unable to produce documents that show he built those top structures.	R700 000.00	R700 000.00	R700 000.00
R T Civils CC v Senqu Local Municipality Claim for the unlawful termination of the contract for Bid number: 03/2018, the Upgrading of the Lady Grey Solid Waste Site. The Municipality's position is that the contractor abandoned the works and that the termination was lawful.		The contractor has claimed payment of R8 141 903.40 The Municipality has submitted a counter claim for R3 800 000.00.	The contractor has claimed payment of R8 141 903.40 The Municipality has submitted a counter claim for R3 800 000.00.
DCB van Zyl N.O. & 4 Others v Senqu Local Municipality The plaintiffs have issued summons in the Barkly East Magistrate's Court for the recovery of the costs of erecting a boundary fence in the amount of R166 538.56. The Municipality has filed a special plea that the plaintiffs have not complied with the Fencing Act. The Municipality has furthermore denied liability and that the Magistrate's Court has jurisdiction to hear the matter as the plaintiffs have failed to comply with the prescribed dispute resolution mechanisms prior to instituting action.		R166 538.56.	R166 538.56.
Mvenya Auto & Towing Services Pty) Ltd v Senqu Local Municipality The plaintiff has issued summons in the Lady Grey Magistrate's Court for damages of R150 431.61 as a result of damages to the plaintiff's vehicle due to a pothole near Botha and Murray Street, Lady Grey.			R150 431.61
Senqu Local Municipality v Burhali & Another Application for the eviction of illegal occupants of a municipal erf, and for the demolition of illegally erected structures on the site.	n/a		

2022/2023 period:

i. Anti-Corruption and Fraud

Senqu Municipality has an approved Fraud Prevention Plan. This plan outlines the concept of "fraud" and has resulted in the development of a Code of Conduct for Employees and Councillors. Procedures for reporting fraud and a policy and practice to be utilized to protect "whistle-blowers" was developed and implemented. This plan also outlines the policies and procedures that must be adhered to/implemented to prevent any fraudulent practice/activity that may be observed within supply chain management activities and the like. To this end it is further noted that the Internal and External Audit as well as the Audit Committee are required to provide an oversight role in this regard and all are mandated to expose any evidence of fraud.

• Fraud and Anti-corruption Strategy

In an effort to minimise and to prevent fraud it is noted that:

The Fraud Prevention Plan is in place and is being implemented by the Risk and Compliance Coordinator.

- All new employees and Councillors are inducted regarding the Code of Conduct – thus ensuring that they are adequately prepared regarding protocols and the manner in which all parties are required to behave.
- In terms of the Disciplinary Policy and Procedure Code, any instance of misbehaviour /malpractice will result in appropriate action in terms of the policy.
- Very clear procedures for authorisation of approval/payments are in place in order to prevent corruption, fraud and theft. In this regard, very specific signing authority as per the Municipal Finance Management Act (MFMA), is specified.
- In any instance where it is suspected that a person has contravened any aspect relating to compliance/having committed fraud, they are immediately suspended pending the nature of the allegation and if justified criminal charges are laid.
- As indicated, the Fraud Risk Workshop and Awareness was not held as planned due to the clashing timeframes of the municipality and ECCOGTA, as an effort to promote fraud prevention the municipality distributed fraud prevention pamphlets within the municipality.
- A Declaration of Interest Register for 2022/2023 was developed for both Councillors and Employees to ensure that no conflict of interest occurs; and
- It is noted that both the Mayor and the Municipal Manager have publicly condemned acts of corruption, fraud, and malpractice of any kind.

Audit Committee Comments/Recommendations (as per Appendix G and Chapter 6)

Notwithstanding the progress within this area, it is important to make reference to the Audit Committee Recommendations for the current year – thereby ensuring that all issues are accommodated. In this regard reference is made to Appendix G and Chapter 6.

ii. Supply Chain Management

Overview of Supply Chain Management

The MFMA s110-119, the SCM Regulations of 2005 and the relevant MFMA circulars set out the required processes and guidance manuals that will facilitate that the application of Supply Chain Management Policy and Procedures – facilitating the correct acquisition and provision of required goods and services. All SCM reporting submissions as legislated were met. Quarterly reports to the Municipal Manager and Mayor were made within 10 working days of each quarter, and submission of annual SCM report within 30 days of end of each financial year on implementation of SCM Policy to Council: and

- During 2021/2022 SCM compliance reporting was submitted to National Treasury; and
- Reference is made to **Appendix H** for detail regarding long-term contracts and Chapter 3 for statistical reporting regarding Supply Chain Management.

Note: Chapter 3 in which the analysis of performance in respect of Supply Chain Management is discussed in greater depth.

By-Laws

By-laws are required to be reviewed and updated annually.

Comments on By-Laws

During 2021/2022 by-laws were gazzeted and printed. A challenge remain on the enforcement of these by-laws as the municipality does not have a dedicate law enforcement unit and sometimes relies on other agency of the state like SAPS to enforce some bylaws which require certain skills and equipment.

A plan is underway to establish a law enforcement unit, however this will largely depend on the availability of financial resources.

Municipal Website

Comment Municipal Website Content and Access

The website was developed in order to improve communication with communities. Reports on the monitoring of the Website in terms of compliance with the MFMA and MSA were submitted quarterly to the Executive Committee.

The Communications Officer is required to maintain and update the Website regularly. It must be noted that the content of the website has greatly improved, although there is always room for improvement and growth aesthetically and overall, in terms of the “look and feel” and functionality. This function is shared with the ICT Department due to capacity issues and the fact that the individual best suited to perform this function was within this department (with required resources).

Note: *The MFMA s75, requires that Municipalities monitor and report on the use of their websites by the public - detailing the number of hits per website and related data.*

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL	
Documents published on the Municipality's /Entity's Website	Yes /No
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
All budget-related documents	Yes
All budget-related policies	Yes
Annual report	Yes
The annual performance agreements for the municipal manager and other senior managers are placed on the website.	Yes
The date these agreements were posted on the website is shown	Yes
All service delivery agreements	No
All long-term borrowing contracts	No
All supply chain management contracts above R30 000	No
An information statement of capital assets that have been disposed	No
Contracts which impose a financial obligation on the municipality beyond 3 years	No
All quarterly reports tabled in council	Yes
Public invitations for formal price quotations	Yes
Public invitations for competitive bids	Yes
The number of quarterly reports tabled to council on the implementation of the budget	Yes

Oversight reports	Yes
Monthly budget statement	Yes
Mid-year budget and performance assessment	Yes
The IDP is placed on the website	Yes
The SDBIP is placed on the website	Yes
Strategy (LED)	Yes
Delegations	No
Internal Audit Plan	Yes
Audit Committee charter	Yes
Risk Management Policy	Yes

Public Satisfaction on Municipal Services

During the period under review no Customer Care survey were conducted as no funding was allocated for Customer Care Surveys.

In an effort to provide opportunities for Customers to rate municipality and/or to complain, address issues of concern the following tools / opportunities are provided:

- Complaint boxes have been installed at designated Community Halls and all Municipal offices throughout the Senqu Municipal jurisdiction (Lady Grey, Sterkspruit and Barkly East). The boxes are opened weekly and the complaints /suggestions if any are channelled through the Communication divisions to the relevant Directorates for response.
- The Customer Care section has further developed a Customer Complaints Register for all external complaints (including calls, walk-ins and anonymous complaints). Reports (inclusive of statistics) are submitted to the Standing committee monthly.
- The Complaints Hotline has been installed (number is 0861 (Senqu) 73678), this together with feedback from the many public participation structures, the Presidential Hotline, Performance and Service Delivery statistics and the like, the organization continuously look for ways to address the issues raised and to improve the level of customer satisfaction.
- The Presidential Hotline is provided to ease the resolution and reporting of complaints; and
- The public are encouraged within all public participation initiatives to use these opportunities to discuss and resolve issues. Notwithstanding these efforts, the suggestion boxes are not fully utilised as the communities prefer face-to-face interactions with staff members at the Customer Care Division.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

INTRODUCTION

Despite the old, recognized challenges that relate to old and ageing infrastructure and the scarcity of required resources for ensuring that service delivery targets are adequately addressed in a coordinated fashion. It must be stated that, 2022/2023 was a challenging year more so because there were many changes top administration that took place.

These challenges are additionally impacted by the high levels of unemployment and the extremely small rate base. This in turn impacts on the revenue base and resultantly on the ability of the organization to have required and much needed financial resources with which to engage in infrastructure maintenance and development activities.

Unprecedentedly, the municipality lost its good governance of cleans audits when it regressed from 8 clean audit opinions to an unqualified opinion with findings due to deviations. Equally the MM who served for over 20 years resigned to serve in another municipality and the CFO who also was with the municipality for a long time had his contract ending.

Over the past 8 years, Senqu Municipality has received much recognition for not only its financial health but for the manner in which the IDP was compiled and the high levels of service delivery provided.

Reference is made to **Appendix D** (Functions of all municipal entities); **Appendix I** (Service Providers Report) and **Appendix F** (Service Delivery performance at Ward level) in order to provide both context and progress in terms of projects undertaken.

Service delivery functions currently performed by Senqu Municipality (noting that the water services and sanitation function are performed by Joe Gqabi District Municipality as the Water Services Authority) are reflected as follows:

- Electricity distribution – licensed areas only
- Provision of assistance to Eskom with rural electrification issues
- Street Lighting
- Roads construction and maintenance – municipal and access roads (including Stormwater Maintenance)
- Storm water and pavement construction
- PMU / Infrastructure planning and Technical Administration (including roads – PMU Construction)
- Library Services (Service Level Agreement entered into between Senqu Local Municipality and DSRAC on an agency basis. (Portion of funding received from DSRAC)
- Community Halls and facilities
- Cemeteries
- Sport and Recreational Facilities
- Parks and Public Open Spaces
- Public Safety
- Commonages

CHAPTER 3

SERVICE DELIVERY PERFORMANCE PERFORMANCE REPORT PART 1

- Issuing of business licenses
- Communications
- Town Planning (Land Use Management, Housing and Building Control)
- LED (Tourism, SMME and Poverty Alleviation); and
- Building of crèches (Grant funding through MIG)
-
- Each of these areas will be examined in terms of reporting on their performance for the period under review.

Component A: Basic Services ELECTRICITY

Background

The National Energy Regulator of South Africa (NERSA) has licensed Senqu Municipality to distribute electricity within the towns of Sterkspruit, Lady Grey and Barkly East. It was always assumed that Eskom is licensed to supply the rural areas. In reality it appears that this is a matter of perspective as according to legislation, municipalities are considered to be “wall to wall” and the electricity authority overall, in terms of the Constitution.

Despite this thinking and aspect of interpretation, the following points are to be considered in terms of electricity disputes and issues currently faced:

- The matter for the right to reticulate electricity within the new 802-unit housing project in Barkly East (Boyce Nondala) remains “ongoing”. An official dispute was declared with Eskom and this has been submitted to NERSA. The Senior Executive Management has resolved to seek formal engagement with NERSA as the resolve of this matter is long overdue.
- Public hearings were held in Pretoria during August 2017. The result was received in June 2018 despite Eskom having been informed by NERSA in March 2018 that NERSA had rejected Eskom’s application and that the matter would be required to be arbitrated by the Department of Energy. A meeting was held between all stakeholders, in East London during November 2018. This was chaired by NERSA. At this meeting, the Eskom representatives stated that due to the fact that NERSA had already decided not to incorporate the Boyce Nondala area of distribution into the Eskom license, the only other organisation would have to be the Senqu Local Municipality. NERSA made a commitment to provide a final decision in this regard in writing. To date this has not been received, despite a reminder having been sent. Eskom is still currently distributing in the area as instructed by NERSA, until the final decision is taken. The primary purpose of this was to increase the revenue base of the municipality safely and to facilitate improved service delivery while implementing its rights in terms of the Constitution. The Senior Executive Management has resolved to seek formal engagement with NERSA as the resolve of this matter is long overdue.
- It is noted that while most of the Senqu communities have access to electricity, there are certain communities that are still required to be electrified (either in the form of electricity installations of infill sites, new connections or for those that have no grid connection, through solar power).
- Overall, it must be acknowledged that the standard of electricity provision within the licensed area is “reasonable” as the municipality strives to and manages to maintain the various National Rationalisation Standards (NRS 047 &
- NRS 048), ERA and the NERSA licence conditions.
- Electricity backlogs have been noted within the rural areas and it is currently calculated that 5 046 households do not yet have access to basic electrical services, The reason for the increase in the

backlog is due to prioritisation of new RDP Housing projects. Although some house was electrified there is a slight increase in numbers due to the RDP Houses that has been build and the extension of houses in some areas by owners. New information received from the Ward Councillors.

- 83.40 % of households have access to basic level of electricity that is provided by both Eskom and the Municipality within the Senqu Local Municipality area.
- Integrated National Electrification Programme (INEP) that is utilized by Eskom through DoE. This contributed to
- The strategic Electrical Upgrade Programme has been running for the past seven (8) years and is expected to run for a further four (3) years – although this is clearly dependent on available resources. On completion it is expected that all networks (LV and MV) will be upgraded, safety standards will have been met, service connections will have been replaced and metering systems updated and replaced (resource dependent) to achieve a fully functional AMI system, which will bring electrical losses down to an acceptable level. The ultimate target for losses is 7.5 %. It is the intention that this would extend the lifespan of the distribution networks for an estimated further twenty-five (25) years, or longer, depending on presenting circumstances such as development, disaster, and the like. This programme is completely dependent on the level of capital and operational funding made available within the approved budget; and
- The installation of pre-payment split phase, AMI ready, metering is continuing with a “phased - in” approach in order to assist with backlogs and to minimize losses.
-

Overall Challenges and Comments regarding Electricity Provision

- There are limited financial resources to accommodate required upgrades to old and ageing infrastructure.
- There are a great number of schools, clinics and other social facilities that don’t have a regular supply of electricity (if any supply at all).
- Affordability of the service is a challenge, recognizing that Senqu has such a high rate of unemployment.
- Electricity tokens are difficult to distribute as vendors are generally far from the rural areas and the population is widely spread over a large geographical area – in many cases with great difficulties being experienced in terms of transport.
- Electricity losses occur due to theft, poor metering management, poor network conditions in some areas, incorrect accounts, lack of resources for Quality of Supply monitoring (Eskom & Own networks) and transformer earthing issues. Despite these issues, improvements have occurred overall.
- It is noted that the quality of supply needs to be improved through the installation of capacitor banks on all points of supply from Eskom to the three towns licensed for distribution to Senqu Local Municipality.
- The lack of coordination of meter reading dates between the municipality and Eskom do result in in-accurate electricity loss information.
- An insufficient budget exists, and this is required to be increased to remedy the situation.
- It is noted that Electricity backlogs exist within the rural areas (Eskom - specifically non-grid areas). These are being addressed by Eskom with assistance from the municipality, in terms of the INEP.
- The target percentage for losses was previously set at 10%. COGTA has subsequently regulated an 8% national norm and the municipality will accordingly reset its final target to 8% or less, over the next 5 years. It is expected that this target will be met by June 2028 (resource dependent).
- Currently there is 4 vacant posts and will be filled in the next Financial Year. All post filled through the financial year.

- Eskom is the current recognized licensed supplier of electricity in rural areas. As such they do not allow other utilities to utilise their infrastructure. As a result, and due to the required infrastructure duplication, it therefore becomes extremely expensive to supply public lighting.
- All users of electricity token meters (STS TDI rollover pre-paid meter and vending systems software updated to STS6) must be reset by the year 2024. This is directly due to the worldwide programming having reached its maximum number of available tokens. The metering department of the financial services section is required to address this as a matter of urgency as the tokens will not be accepted after 2024. Failure to comply will prevent electricity sales and this in turn will result in corresponding consumer complaints and losses. The new prepaid meters that is bought is already programmed with the new STS Token 2).
- This situation involves a special configuration change to be made to all pre-paid meters and vending systems. This must be addressed with meter suppliers, regarding new procurement and this will be conducted by the electricity section of the Technical Services Department for new meters only; and
- It is noted that insufficient funding exists for new street lighting and the replacement of old lights with LED's in order to reduce consumption without loss of effect.
- Efforts to conserve power have resulted in the following considerations that will be implemented moving forward. Three energy savings opportunities were identified as having sizeable potential:
 - **Lighting:** Reduction of power due to the replacement of Street Light Fittings with LED Fittings. Reducing the wattage range from 57w to 40w LED and 250w to 120w LED respectively. Solar lighting is now considered in the coming financial year to cater for load shedding by Eskom and also for public lightning.
 - **Buildings:** Senqu Municipality has installed Solar Panel system and to have them fully functional batteries will be purchased and installed in the next financial year for the Municipal Main Office block.
 - **Mass Roll Out (MRO) programmes:** These are to be practised in the residential sector. The municipality is encouraging its residents to adhere to the National Energy Efficiency Action Plan (NEEAP).

Achievements and Challenges

During the 2022/2023 financial year the following work was completed successfully:

- 56 new meters were installed increasing revenue collection.
- 148 electricity meters replaced the credit meters with Senqu Municipality internal funding to increase the revenue collection.
- 1 Transformers were sent for refurbishment.
- 91 Streetlights were replaced.
- Electricity losses: 18,88%. This is a decrease of 1.59% from the previous financial year.

Progress to date is reflected as follows (2022/2023)

#	INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/ CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2022/2023
1	Percentage of households with access to electricity services	Senqu Municipality 56 in urban	Senqu Municipality 148 (urban)	Senqu Municipality 56 (urban)	Senqu Municipality 56 new connections (urban)	Senqu Municipality 100% (Urban)
		Eskom 300 (Rural)	Eskom 5 046 (Rural)	Eskom 300 including infills	Eskom 250 including infills (Rural)	Eskom 83%

ESKOM DISTRIBUTION (RURAL AREA – Data is estimated due to THE LACK OF INFORMATION PROVISION FROM Eskom):

Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS*				
Households (Eskom Area)				
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity – prepaid (min. service level)	40 492	40 592	41 012	41 262
Minimum Service Level and Above sub-total	95,9%	89,03%	85%	85%
Minimum Service Level and Above Percentage				
Energy: (below minimum level)				
Electricity (<min. service level)	0	0	0	
Electricity-prepaid (<min. service level)	0	0	0	
Other energy sources	2 223	5 001	5023	5046

Electricity Service Delivery Levels (continues from the previous page)

ELECTRICITY SERVICE DELIVERY LEVELS*				
Households (Eskom Area)				
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Below Minimum Service Level sub-total	5,26%	10,97%	1.93%	1.12%
Below Minimum Service Level Percentage				
Total number of households	42 223	45 593	46 013	

ESKOM Consumers

HOUSEHOLDS – ELECTRICITY SERVICE DELIVERY LEVELS BELOW THE MINIMUM						
SENQU MUNICIPALITY AREA						
Households						
Description	2019/20	2020/21	2021/22	2022/2023		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Households below minimum service Level	972	400	420	300	250	250
Formal Settlements Senqu Municipality						
Total households	3 037	3 397	3 496	3 496	3 496	3 552
Households below minimum service Level	44	360	67	56	56	56
Proportion of households below minimum service level	1,45%	10,56%	1,92%	1,6%	1,6%	1,57%
Informal Settlements Eskom						
Total households	42 223	42 623	43 043	43 343	43 293	43 293
Households below minimum service Level	972	400	420	300	250	250
Proportion of households below minimum service levels	2,3	0,94%	0,98%	0,67%	0,58%	0,58%

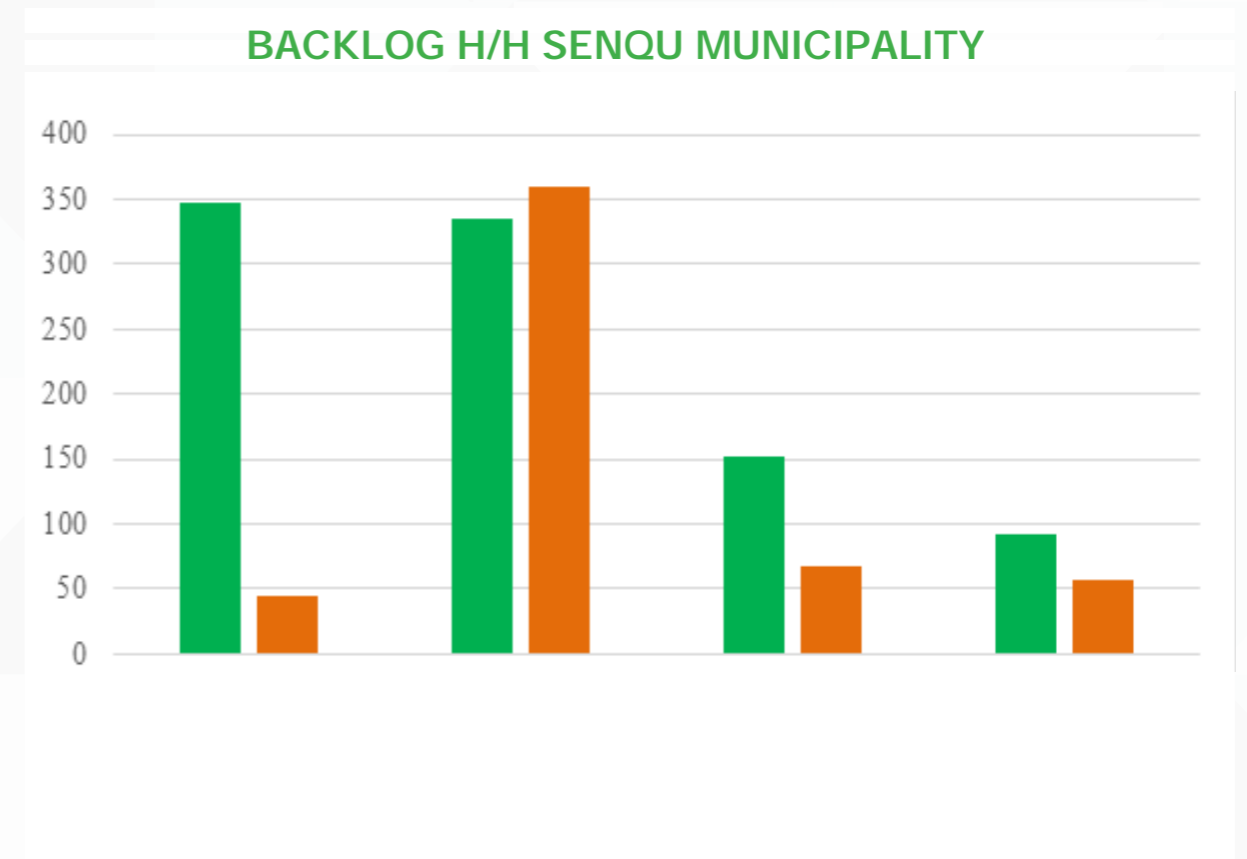
Electricity Service Delivery Levels

ELECTRICITY SERVICE DELIVERY LEVELS				
Households (Municipal)				
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
Electricity – prepaid (min. service level)	433	360	32	56
Minimum Service Level and Above sub-total	2604	2 964	3 324	3 380
Minimum Service Level and Above Percentage	3 037	3 397	3 757	3 813
Energy: (below minimum level)	90,0%	87,25%	88,47%	88,64%
Electricity (<min. service level)	303	360	32	56
Electricity-prepaid (<min. service level)	130	57	60	56

Municipal Backlogs (Area of Distribution)

YEAR	2019/2020	2020/2021	2021/2022	2022/2023
Backlog	347	335	152	92
Achieved	44	360	67	56

Municipal backlogs as reflected per table above in graph below (2019-2023)



TOTAL BACKLOGS (Eskom & Municipality)

ESKOM DISTRIBUTION – Data is estimated due to lack of information provision from Eskom

Total Households	Original Backlog Rural (Eskom)	Target Eskom (2022/2023)	Actual Eskom (Estimated)	New Backlog (Rural)	Original Backlog (Urban)	Target (Urban)	Actual (Urban)	New Backlog (Urban)	Total Backlog (End FY)
43 293	5 023	300	250	4 773	148	56	56	92	92

Electricity Service Policy Objectives taken from IDP

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objective	Outline Service Targets	2021/2022		2022/2023			Following Years		
		Target		Target			Target		
		*Previous Year	Actual	*Previous Year	*Previous Year	Actual	2020/2021	2021/2022	2022/2023
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (No elect.)	Eskom	Eskom	Eskom	Eskom	Eskom	Eskom	Eskom	Eskom
		270 Households	2 823 Households	2 823 Households	270 Households	2 823 Households	2 823 Households	270 Households	2 823 Households
		Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality	Municipality
		193 Households	56 Households	56 Households	193 Households	56 Households	56 Households	193 Households	56 Households

Electricity Service Policy Objectives taken from IDP (cont.)

Service Objective	Outline Service Targets	ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP																									
		2018/2019		2019/2020		*Following Years																					
		Target	Actual	*Previous Year	*Current Year	Actual	2020/2021	2021/2022	2022/2023																		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)																		
To reduce the electrical Losses	To do repair and maintenance	o Electricity losses (Inclusive of 10% Technical losses) : 14.03%	o Electricity losses (Inclusive of 10% Technical losses) : 16.43%	o Electricity losses (Inclusive of 10% Technical losses) : 16.43%	o Electricity losses (Inclusive of 10% Technical losses) : 16.57%	o Electricity losses (Inclusive of 10% Technical losses) : 16.57%	o Electricity losses (Inclusive of 10% Technical losses) : 18.4%	o Electricity losses (Inclusive of 10% Technical losses) : 20.47%	o Electricity losses (Inclusive of 10% Technical losses) = 18.88%	o Electricity losses (Inclusive of 10% Technical losses) = 18.88%	o 2 934 consumers	o 2 994 consumers	o 2 994 consumers	o 3 038 consumers	o 3 038 consumers	o 3 398 Consumers	o 3 465 Consumers	o 3 521 Consumers	o 56 New connection	o 610 distribution faults	o 446 Street light repairs	o 1 New Street Lights	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed
		o 193 New connection	o 60 New connection	o 60 New connections	o 44 New connections	o 44 New connections	o 360 New connections	o 67 New connections	o 67 New connections	o 56 New connection	o 267 distribution faults	o 267 distribution faults	o 267 distribution faults	o 29 distribution faults	o 29 distribution faults	o 450 distribution faults	o 361 distribution faults	o 610 distribution faults	o 446 Street light repairs	o 1 New Street Lights	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed		
		o 108 distribution faults	o 267 distribution faults	o 267 distribution faults	o 267 distribution faults	o 267 distribution faults	o 450 distribution faults	o 361 distribution faults	o 610 distribution faults	o 446 Street light repairs	o 1 New Street Lights	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed											
		o 327 Street light repairs	o 519 Street light repairs	o 519 Street light repairs	o 666 Street light repairs	o 666 Street light repairs	o 393 Street light repairs	o 283 Street light repairs	o 283 Street light repairs	o 446 Street light repairs	o 1 New Street Lights	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed											
		o 8 New Street Lights	o 19 New Street Lights	o 19 New Street Lights	o 18 New Street Lights	o 18 New Street Lights	o 2 New Street Lights	o 9 New Street Lights	o 9 New Street Lights	o 1 New Street Lights	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed												
		o 140 Street Light Fittings replaced	o 213 Street Light Fittings replaced	o 213 Street Light Fittings replaced	o 173 Street Light Fittings replaced	o 173 Street Light Fittings replaced	o 84 Street Light Fittings replaced	o 97 Street Light Fittings replaced	o 97 Street Light Fittings replaced	o 91 Street Light Fittings replaced	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed													
		o 4 Transformers refurbished	o 4 Transformers refurbished	o 4 Transformers refurbished	o 6 Transformers refurbished	o 6 Transformers refurbished	o 5 Transformers refurbished	o 2 Transformers refurbished	o 2 Transformers refurbished	o 1 Transformers refurbished	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed														
		o 319 KWH Meters replaced	o 405 KWH Meters replaced	o 405 KWH Meters replaced	o 127 KWH Meters replaced	o 127 KWH Meters replaced	o 89 KWH Meters replaced	o 202 KWH Meters replaced	o 202 KWH Meters replaced	o 148 KWH Meters replaced	o 7 m MV New Conductor installed	o 150 m LV Conductor installed															
		o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 0 m MV New Conductor installed	o 7 m MV New Conductor installed	o 150 m LV Conductor installed																
		o 2 643 m LV Conductor installed	o 1 950 m LV Conductor installed	o 1 950 m LV Conductor installed	o 1 950 m LV Conductor installed	o 1 950 m LV Conductor installed	o 1 950 m LV Conductor installed	o 75 m LV Conductor installed	o 450 m LV Conductor installed	o 150 m LV Conductor installed																	

Electricity Losses (Historic to Date)

2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
16 %	16.57%	18.4%	20,47%	18,88%

- Upon completion of the following operationally planned targets it is anticipated that electricity losses will reduce to a level of 7.5% during the 2027/28 financial year:
- Completion of the AMI Meter project, inclusive of data collectors (budget dependent);
- Minor conductor upgrades.
- Installation of check sectional metering (Budget dependent);
- Installation of capacitor banks on the MV to ensure quality of supply.
- LV phase balancing (ongoing); and
- Assessment of loss calculations in order to reduce the time lapse in order to ensure efficiency and correctness.

Employee Statistics: Electrical Services

The table below provides the employee statistics for electrical services.

Table: Employee Statistics: Electrical Services

EMPLOYEES: ELECTRICITY SERVICES					
Job Level	Year 1	Year 2022/2023			
TASK SYSTEM	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3	6	6	5	1	1.0%
4-6	0	0	0	0	0
7-9	7	7	4	3	1.75%
10-12	3	3	3	0	0
13-15	1	1	1	0	0
16-18	1	1	1	0	0
19-20					
Total	18	18	14	4	2.75%

Financial Performance

The below provides the financial performance for the period of F/Y 2022/23

FINANCIAL PERFORMANCE YEAR JUNE 2022: ELECTRICITY SERVICES					
R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	48 684	98 714	87 264	50 113	(37 151)
Expenditure					
Employees	6 529	7 750	7 760	7 222	(538)
Repairs and Maintenance	1 673	3 655	3 132	1 100	(2 032)
Other	49 632	4 461	5 005	57 329	52 324
Total Operational Expenditure	57 834	15 866	15 897	13 249	49 764

Electricity Services Capital Expenditure 2022/23

The table below provides a summary of the capital expenditure for electricity services for period 2022/23.

Electricity Services Capital Expenditure 2022/2023

CAPITAL EXPENDITURE YEAR 2022/2023: ELECTRICITY SERVICES					
MUNICIPAL AREA					
R' 000 (Ex VAT)					
Capital Projects	2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	2 257	2 257	130	(2 127)	
Tools & Equip & Vehicles	60	60	0	(60)	
Infrastructure	2 197	2 197	130	(2 067)	

Municipal INEP Allocation (2022/23)

The municipal INEP allocation for 2022/23 is provided in the table below.

INEP MUNICIPAL 2022/2023				
R'000				
Allocation	Budget	Actual	Variance	Total Project Value
0	0	0	0	

Operational Cost Electrical Services (Distribution)

The operational cost for electrical distribution for 2022/23 is provided below.

OPERATIONAL EXPENDITURE: YEAR JUNE 2023: ELECTRICAL SERVICES (DISTRIBUTION)					
DETAILS	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	44 597	48 567	58 605	48 684	9 921
Expenditure					
Employees	7 551	5 535	6 270	6 529	(259)
Repairs and Maintenance	3 222	2 373	2 477	1 673	804
Other	49 404	61 042	61 742	49 632	12 110
Total Operational Expenditure	60 177	68 950	70 489	57 834	12 655

Operational Cost Electrical Services Street Lighting

The table below provides the operational cost for electrical services: street lighting for 2022/23.

OPERATIONAL EXPENDITURE 2022/2023: STREET LIGHTING				
Details	2022/2023			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0
Expenditure				
Employees	74	77	64	(13)
Repairs and Maintenance	501	651	449	(202)
Other	417	472	235	(237)
Total Operational Expenditure	751	962	752	(452)

Capital Expenditure for Year 2022/23: Electricity Services (Street Lighting)

CAPITAL EXPENDITURE YEAR 2022/2023: ELECTRICITY SERVICES					
(STREET LIGHTING)					
MUNICIPAL AREA		R' 000 (Ex VAT)			
Capital Projects	2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	N/A	0	0	0	0
Tools & Equip & Vehicles	N/A	0	0	0	0
Infrastructure	N/A	0	0	0	0

WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Note: In terms of the mSCOA implementation, this function was initially moved from the Community Services Directorate to the Technical Services Directorate. As of 1 July 2017, this function again returned to the Community Services Directorate.

Waste Management

It is the intention of the solid waste management division to focus on improving the management of the environment and creating a healthy and aesthetic living environment for all.

This process is required to be managed and implemented according to the legislation most pertinent to the management of waste in South Africa. This is specifically referred to as the National Environmental Management Waste Act, (Act 59 of 2008). This Act has been promulgated in order to ensure that there is structure and compliance in respect of:

institutional arrangement and planning matters, national norms and standards for regulating the management of waste by all spheres of government, and the licensing and control of waste management activities and all matters connected therewith.

Other objectives of Solid Waste Management:

In so doing it provides the legislative framework for the management of waste in South Africa.

It is the overall intention and objective of waste management, to improve the management of the environment, to combat illegal dumping and to ensure that all refuse and waste is removed and disposed of timeously and in the appropriate manner.

Targets identified and implemented during 2022/2023

To achieve these objectives the following targets were identified and implemented in as far as possible: Construction and Completion of the Solid Waste Site in Ward 13 – Herschel (Herschel Solid Waste Site is completed)

Construction and Completion of the Solid Waste Site in Ward 5 – Rossouw (Final stage of completion)

Completion of the Lady Grey Solid Waste Site (still under upgrade)

Application for EIA in Rhodes (Rhodes has taken other route of developing a Transfer station which might not need the EIA) The Development and Town Planning Services department has been approached by Technical Services' PMU section to assist them in the subdivision of a portion of municipal land in Lady Grey and Rhodes (Remainder Erf 1 Rhodes)

Completion of Barkly East Solid Waste Site (The Barkly East Solid Waste Site was completed and functional)

Application for EIA and appointment of contractor in Sterkspruit (EIA did not take place due to the disputes of the land the land that was earmarked for the development of the landfill sites, currently the engagement are continuing with the Communities and also of Cause the request for the Councilors to intervene with the Traditional leaders) (The land discussion is still not bare any fruit does far)

Waste awareness campaigns conducted within the Community. 5 are targeted within the wards; Twelve (12) awareness campaigns were conducted in all six towns (ward 8; 10;13; 14; 15 and 16) Community environmental and waste awareness campaigns were conducted at ward (8, 15; 10, 16, 14; 14, 15,10 14 target was to conduct 8 awareness (9 awareness conducted)

Waste Awareness campaigns conducted within Schools. 6 are targeted within schools; Twelve (12) awareness campaigns were conducted in all six towns (ward 8; 10;13; 14; 15 and 16)

School environmental and waste awareness campaigns were conducted in schools in the following wards: (Ward 8,10; 13,14,16; 10,13; 14,16)

Cleaning of CBD streets in all towns; All Six Towns CBD streets are cleaned on a daily.

The target of 956,92 tons of waste collection in rural areas was exceeded and 1302.01 tons of waste was collected; and (no longer the service rendered).

Total tons collected in the six towns (9 588.18 tons of waste)

Construction and completion of Solid Waste sites (Herschel, Rossouw, Lady Grey, Barkly East) (completed)

The following achievements and challenges were noted:

Solid Waste Site: Herschel

- The site did receive the permit for operation: permit No JG/B/M/003/17
- A site handover meeting was held on the 1st July 2021 at the Technical Services Directors Office.
- Herschel Landfill Site is a Class B
- The Heschel Landfill sites construction is completed according to the requirement of the Department of Water and Sanitation in terms of lining of the cell. MRF was also constructed with the landfill sites which promote access to the landfill site by recyclers and also they will be able to bail with the landfill site, save them for transporting waste for an outside bailing area.

- The landfill site is complete, but it is not yet handed over to the user department for operations)

Solid Waste Site Ward 5: Rossouw

Rossouw Solid Waste Site did receive the permit for operation: No JG/B/M/002/17

A contractor was appointed and site handover meeting was held in Rossouw

Construction of the Solid waste has progressed well and the landfill site is partly complete, electricity is not yet connected to the site.

Lady Grey

This target was not achieved due to legal proceedings underway. Due to the previous contractor's alleged underperformance, their services were terminated. Until such time as this process is settled the project remains on hold. The Arbitrations proceedings were completed, and the Contractor was appointed and started with the upgrading of the solid waste site. the construction is continuing with the very slow pace.

The new appointed contract is moving smoothly one cell is lined, busy with the second cell.

Applications for EIA's (Environmental Impact Assessments)

Ward 10 (Sterkspruit)

New site was identified in ward 17, and community engagement (consultative meeting) was held with affected communities. Although this meeting was held but there was no agreement reached between the two parties,

Communities were taken to Cape Town, Swartland Municipality for the best practice and the operations of the landfill site, so that the community can be able to know and understand what the landfill site is and how it operates and the benefits thereof, but still the communities are not yet convinced, to approve the project to continue. The Councillors are planning to assist the administration in engaging the Traditional Leaders and communities regarding the approval of the establishment of the landfill site in Sterkspruit. These delays are affecting the closure and rehabilitation of the old Sterkspruit landfill site, which was due for closure in September 2022, this pose a risk for the municipality as the municipality is operating the old Sterkspruit illegally as the permit of closure is expired. Engagement is continuing but there no results or resolution toward granting the go ahead with the development of the landfill site as the target of the municipality.

Ward 15 (Rhodes)

There current dumping site has no buffer zone and it on top of the stream dongas. New site was identified but no progress was made after the site was identified. The current dumping site is left with 2 years for operation, funding for the closure is required as dumping site not complying with the NEMWA Act. The Municipality has opted against the construction of the landfill site and opted to the development of the Transfer station, this is minimising the development of the landfill site all over the municipality of cause with also the challenge of maintenance and management. The development of the Transfer station was budgeted for 2022/2023 financial year, the contractor was appointed and it commenced with the construction work, however, the contractor's performance was very slow and penalties were imposed on the contractor. Further more a notice of intent to terminate the contract has been served on the contractor.

Historic and current Challenges experienced within Waste Sites

Waste sites are in Lady Grey, Barkly East, Sterkspruit, Rhodes and Rossouw. Sites do experience

related challenges, that include:

All landfill sites are not complying with the NEM: WA act and as well as the Minimum Requirement for the Operation of Solid Waste Sites. (The requirements for the daily covering and compaction of the waste that enters the landfill site to avoid waste for being blown out and fires that might burn the land adjacent, this is due to the lack of Specialized vehicles for landfill site management)

There is a lack of technical personnel for the operation of the landfill sites, the landfill sites are operated by General Workers, although it is high technical field of operation, a technical person is required for the management of the landfill sites

There is no specialized Vehicles for the operation of landfill sites. This the one of the huge challenges with a high risk of non-compliance with the Act, that can put the municipality in the Court of Law.

Status of Landfill Sites:

LANDFILL SITE	STATUS QUO AND CONDITIONS
Lady Grey Landfill Site	<p>The Contractor who was appointed to do upgrading of the Lady Grey landfill site moved out of the site without completing the upgrading of the site, therefore the municipality is dealing with matter. New contractor was appointed, and the contractor is busy with the upgrading the landfill site, although the pace is very slow and not acceptable.</p> <p>A Tender was place for the upgrade of the landfill site for Lady Grey after Contractor appointed and is on site upgrading the landfill site (Contractor appointed and the upgrade is continuing smoothly)</p>
Sterkspruit Landfill Site (old Site)	<p>The Municipality is in the process of development of the closure plan for the site as per the budget allocation. Budget was not allocated as per the expectation and therefore the rehabilitation plan is not yet developed</p> <p>The Closure License expired 30th June 2018. The municipality has applied to DEDEAT for the extension of the license to finalise the new planed landfill sites in Sterkspruit (HO/A/14/L043/14). The extension was granted to the municipality by DEDEAT for a three (3) year period which was to terminate in 2021. The extension was because the land that was identified on Masekeleng was suitable and was expropriated by the municipality, EIA conducted, and the only outstanding item was the testing of the level of the ground water table, that did not materialise, and the application was closed by the Department of Environmental Affairs. That failure left the municipality without any option but to re-apply for the second extension is currently pending.</p> <p>There is a burning of waste in the cell and there is no compaction (this is illegal). As reported in almost all landfill site there is no covering, compaction of waste, which left the landfill site vulnerable to fires The site has been fenced. The service provider was appointed for the fencing of the Sterkspruit landfill site, and it was fenced off as required.</p> <p>An ongoing challenge exists in terms of the need for plant and equipment for proper cover and compaction. No plant and equipment for proper covering and compaction on site exists.</p> <p>Improvements within this site have been made and the site is currently compliant with the Occupational Health and Safety Act in respect of the health and safety of its employees (access to toilets, shelter, running water and the like – as previously identified); and</p>
LANDFILL SITE	STATUS QUO AND CONDITIONS
Sterkspruit (New)	<p>A new site has been identified at ward 17 and the process is on community engagement. Voyizana VillageThe municipality has expropriated land in Tapoleng village (Ward 17) where a new disposal site was to have been developed. The application was closed by DEDEAT due to the fact that the site was not compliant and was not found to be suitable for the development of the landfill site. The buffer zone challenge contributed to this decision.</p> <p>Moving forward the municipality was required to restart the application for the development of the landfill site in Sterkspruit, following the DEDEAT closure of the application, due to the non-submission of the geohydrological report on the due date. As required public participation initiatives have already begun and the EIA process is required to be begin.</p>

Hershel landfill Site	<p>The site has been handed over to the Contractor for development/ construction of the landfill site.</p> <p>The Municipality has received the permit to construct the landfill site in Herschel.</p> <p>While the municipality had budgeted for the establishment of the landfill site in the 2017/2018 financial year, a delay was experienced in the completion of the EIA.</p> <p>The EIA has since been completed and the landfill site construction will resume in 2021/2022 as the contractor was appointed on 24 June 2021.</p> <p>Currently, waste is being transported to Lady Grey and Sterkspruit.</p>
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Status of Landfill Sites (cont.)

LANDFILL SITE	STATUS QUO AND CONDITIONS
Rossouw Landfill Site	<p>The site has been handed over to the Contractor for development/ construction of the landfill site.</p> <p>Rossouw has received the permit to construct the new landfill site, which is expected to be constructed during the 2020/2021 financial year.</p> <p>The site is currently unlicensed and is situated near the Wasbank River. It will be listed for closure and rehabilitation in terms of license.</p> <p>Waste is covered through the use of shovels and it is not well compacted as there is no proper compaction equipment. This status quo has existed for quite some time and there continues to be no plant and equipment and the use of shovels for covering waste.</p> <p>No permanent staff are appointed and only EPWP staff are utilized to work in this area.</p> <p>Legislative compliance is lacking; and</p> <p>Originally the EIA was expected to be completed by November 2017, and</p> <p>New land has been established for the development of the landfill site facility. Accordingly, the EIA has been approved and the constructor was appointed in April 2021, and the sight handover was done in May 2021.</p>

NOTE: The Sterkspruit Waste Site has reached the end of its life cycle .

Medical waste for the four (4) hospitals and fourteen (14) clinics is collected by a company called Compass Waste and this was organised by the Department of Health; and Environmental Health Practitioners are responsible for the control of waste management at clinics, being under the supervision of a Chief Environmental Health Practitioner. Monthly reports are received on Solid Waste Sites' but are mostly negative due to insufficient resources and SCM delays.

Waste Collection

- In all areas it must be noted that Waste Collection is successfully achieved, despite challenges relating to insufficient plant and staff.
- Currently challenges are experienced that relate to illegal dumping within all Senqu towns. It has been suggested as a solution that consideration be given to increasing the number of available law enforcement officers.
- The weighbridges are calibrated annually.
- It is noted that staff challenges exist in the operation of weighbridges in Barkly East and Lady Grey. WSP will be addressing the shortage skill for the staff in all landfill sites (training of staff)
- Senqu Municipality currently has three (4) licensed landfill sites. More specifically:
- Lady Grey, Barkly East, Herschel and Rossouw are licensed as required to be able to operate; and

- Sterkspruit have a closure license/permit.
- The following new sites are required to be developed:
- Sterkspruit
- Rhodes (Transfer Station)
- Specific challenges in terms of each of these sites are reflected as follows:
- Insufficient staff.
- Technical personnel for the operation of the landfill sites
- Old and ageing vehicles.
- Inadequate plant and equipment with which to manage solid waste disposal sites in terms of legislation.
- Breakdown of vehicles (no mechanic available for maintenance).
- Non-compliance with legislation with a resulting to unpleasant consequences.
- The lack of recycling projects and related components; and
- Delays in terms of SWS lining projects, due to insufficient resources; and
- Suffice is to note that generally, Solid Waste is not receiving the resources required, to meet Constitutional and legislative requirements.

The Constitution of the country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of the available resources. Municipal policy is progressively moving towards universal access to Waste Management.

Currently the municipality provides only waste collection services to the communities and private enterprises of:

- Lady Grey
- Barkly East
- Rhodes
- Sterkspruit
- Herschel
- Mokhesi and Tienbank (rural) (no longer Providing service)

The municipality is no longer collecting waste in Mokhesi and Tien Bank, this is due to the fact the service that the municipality rendered is not paid for, and the areas need to be formalised and identification of indigent communities are required and also non- indigent communities that qualify to pay for the service rendered With no waste collection taking place in the rural areas, illegal dumping as well as burning of waste is taking place and this represents a huge challenge for the municipality.

- This problem further compounds the effect of contamination, pollution, damage to tourist assets and the environment.
- Waste is collected weekly from households and twice or three times in a week from businesses within the areas of collection. Residential and most commercial waste is handled as “kerbside collection”.
- Metric Tonnage collected per annum.
- The municipality collected a total of 10031.02 tons against the annual target of 8055.19
- A total of 138 tons of variance, caused by the extension of collection to informal settlements and part of the RDP houses in Herschel.
- Recycling

There are only a few informal recycling programmes currently running within Senqu Municipality, extracting less than 1% of the potential recyclable product.

Issues were experienced with recycling co-ops within the municipality, who were supposed to claim all the recyclable material which ended up in the landfill site, thus minimising the air space in our landfill sites. Co-ops were given PPE by the Department of Environmental Affairs Integrated Waste Management Plan (IWMP).

The IWMP is implemented and approved by Council. In terms of data:

- Households served
- 2 835 households in Barkly East.
- 510 in Herschel.
- 2 820 in Lady Grey.
- 144 in Rhodes.
- 100 in Rossouw; and
- 639 in Sterkspruit.

The IWMP is due for review three services providers pulled out of the panel of consultant are under review.

Waste Awareness

Public awareness and education are important factors in sustainable waste management. Waste awareness initiatives have been implemented using internal funding.

To achieve sustainable waste management, it is imperative that the public become aware and educated regarding waste issues.

Waste Management By-Laws

Waste Management By-Laws were promulgated, and fine Schedule were endorsed by the Magistrate in Sterkspruit in March 2021. The challenge is the enforcement of the By-Laws.

Financial Performance: Solid Waste Management Services Financial Performance Year 2022/2023: Solid Waste Management Services

Financial Performance Year 2022/2023: Solid Waste Management Services					
R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 800	46 904	49 536	13 270	(36 266)
Expenditure					
Employees	18 445	13 396	13 420	13 834	414
Repairs and Maintenance	5 426	1 466	1 466	796	(670)
Other	13 122	18 557	16 530	15 026	(1 504)
Total Operational Expenditure	36 993	33 419	31 416	29 656	1 248

Capital Projects: Solid Waste

Financial Performance Year 2022/2023: Solid Waste Management Services					
Municipal Areas					
R'000(Ex VAT)					
Capital Projects	2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	16 415	16 036	13 800	(2 236)	
Machinery and Equipment	169	319	129	(190)	
Solid Waste Infrastructure	16 140	15 717	13 671	(2 426)	

Housing

Introduction to Housing

The Department of Human Settlements is responsible for the function of housing in terms of providing planning services, construction of the top structures and the transfer of the properties to the beneficiaries. Since this period, the Department has been the implementer of housing projects, services, and the top structures. This was conducted through the Department of Human Settlement's own procurement procedures and service providers.

Not with standing, the municipality assists the department and this function by engaging in the following activities:

Beneficiary identification and registration for RDP houses.

Ensuring land availability.

Assisting the Department of Human Settlements by assisting beneficiaries in filling out deeds of sale for the Department to transfer the properties to the beneficiaries through their appointed conveyancers. The municipality has developed a Housing Sector Plan (an attachment to the IDP), which was adopted in July 2021.

To realign municipal departments with the Treasury GFS functions under mSCOA, the housing function was not considered to be a municipal function and officials were transferred / re - allocated to posts within EPWP and LED. Notwithstanding, this has proved to be a misunderstanding of the regulations and the function of housing returned to Development and Town Planning Services during 2017/18 under Town Planning.

The Housing Sector Plan for the municipality was re-adopted to accommodate changes to the identified needs of the community. This has now been revised in totality and after taking into account more detailed studies, this provides the municipality with a more realistic backlog total. The current housing need according to the Housing Sector Plan for 2020 is 3339, the total housing need is 14 083.

Comparison between Census 2011 and 2016 figures, indicates an increased number of households (from 67% to 75%) living in formal brick / block structures and a decrease in the number of people living in traditional dwellings (24% to 18%) and informal dwellings (5% to 3%). (Housing Sector Plan 2021). It must be noted that the Spatial Development Framework (SDF) has identified land in all towns for future

housing developments. A land audit was conducted for Sterkspruit, and available land was identified for resale to the public for individual residential development. This exercise is in accordance with the SCM Regulation of August 2014. This land audit has been undertaken by the Housing Unit and is 90% credible.

To provide context, the Rhodes and Rossouw projects were approved in the 2010/2011 financial year. To date only the Rossouw project has been completed. The first phase of the Rhodes Green Field Project is still awaiting EIA approval but construction in phases (an in-situ project - not requiring an EIA) is under construction. All 87 units of phase one have been completed and handed over. The layout plans for the Green Field have not yet been approved, due to issues of bulk water in Rhodes.

It is noted that Land Invasion had caused delays to the Herschel Housing Project. More specifically, only five hundred and five (505) units of the original seven hundred (700) units have been constructed. The Council took the decision to reduce this project to five hundred and five (505) units and identify other land for a new project registration that would accommodate the shortfall.

The Department of Human Settlements and the municipality have come to an agreement to utilise the remaining funds for the construction of the Herschel 700 units project on other housing related matters such as land use planning activities before construction and the transfer of the RDP houses by the municipal conveyancers.

The municipality will appoint service providers to undertake these activities. To combat this, Land Invasion Signboards were erected for Lady Grey, Barkly East and Sterkspruit; and layout plans developed for Lady Grey and Barkly East. These were tabled for approval in the July 2019 Council meeting. The Town Planning section has developed an Unlawful Occupation of Land Bylaw.

Phase 1 of the Sterkspruit 4000 units project has been completed. The Department of Human Settlements is currently in the procurement stage for phase 2 of the project.

The Destitute and Emergency housing project has commenced, and 85 units will be built in the various wards.

There is currently legal action being taken against land invasion, but legal matters are a costly and a drawn-out process. These processes have been underway for the last eight (8) years without success to date.

A great challenge continues to be experienced regarding the fact that in many cases beneficiaries allocated to housing units become “lost” for various reasons. This then results in the de-registration and registration of new applicants. The transfer of erven to achieve title deeds, depends on professional legal persons and in some cases this process occurs at a very slow rate.

There are currently insufficient resources to enable the municipality to become more efficient within this area of service delivery. In this regard the municipality took a decision that they would apply for accreditation to be able to complete the entire housing process in the future. This has not been resourced to date; and

Illegal building within the Sterkspruit rural area is a challenge with limited capacity. Traditional leaders complicate land and building matters allowing adhoc building operations – placing severe strain on service delivery.

Access to Basic Housing

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING 2022/23		
Type of dwelling	Number of households	% of total number of households
House of brick/ concrete block	30 250	75.25
Traditional dwelling/ hut	7 036	17.5
Informal dwelling/ shack	556	1
Informal dwelling in an informal settlement or farm	799	2

Most of the population reside in formal houses on individual stands. One quarter of the population still lives in traditional (mud) houses and minority of the population within the urban areas reside in informal structures in informal settlements. The total household for formal settlements sits at a figure of 30250 and informal settlements are reflected as 8391.

Housing Backlogs (Historical data and contextual overview) HOUSING BACKLOGS (dating back up to 2015 / 2016)

Housing Service Policy Objectives Taken from IDP

HOUSING SERVICE POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	Outline Service Targets	2021/2022		2021/2022		2022/2023		2022/2023	
		Target	Actual	Target	Actual	Target			
		*Previous Year		*Previous Year	*Current Year	*Current Year	*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objectives									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	4000	4000	4000	3 500		1359	1100	0
	Barkly East 298 units Destitute/ Emergency housing 85 units	additional houses (9 262 houses required)			additional houses (5 762 houses required)			8	0
							0	65	
Facilitate housing project(s)/ implementation.	Evidence of facilitation efforts/reports / Database updated	12 x monthly reports	12 x monthly reports	12 x monthly reports	12 x monthly reports		12 x monthly reports	12 x monthly reports	12 x monthly reports

Employee Statistics (Housing Services)

EMPLOYEES: HOUSING SERVICES					
Job Level TASK SYSTEM	2021/2022		2022/2023		
	Employees No.	Posts No.	Employees No.	Vacancies (full time equivalents) No.	Vacancies (as a % of total posts)
0-3					
4-6	2	0	0	0	0%
7-9					
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18	1	1	1	0	0%
19-20					
Total	6	3	3	0	0%

Note: No funded vacancies exist for the current year.

Comments on the Performance of the Housing Service Overall

As already detailed, Senqu Municipality is no longer involved in the capital construction of housing projects but only assists in an administrative manner with regard to beneficiaries (considered as operational);

The delivery of housing units is slow due to: poor communication and cooperation challenges experienced from the department of Human Settlements; late approval of the The difficult and sometimes inaccessibility of sites in the rural areas in order to deliver materials and construct (due to poor road access, and intermittent water supply) which affects construction and increases project costs in general; The quality of workmanship is currently a concern as the municipality has no control thereof. This is reliant on the Department of Human Settlements which conducts the related quality control. The Hillside Project bears testimony to this in that: of the 998 units already built, 603 required rectification and the DHS is aware of this. This issue has been accommodated in the revised Housing Sector Plan. Clearly this question and raises extreme doubt regarding the construction quality. In this regard, it must be noted that the department is clearly aware of this situation, having been informed of this by the municipality.

The municipality no longer has control of any housing capital projects. The operational budget variance was caused by poor performance on the part of service providers (conveyances) in transferring the title deed to the beneficiaries. The municipality has removed all non-performing conveyances and appointed new conveyances to attend to the transfer of properties. The issuing of rates clearance certificates by the Joe Gqabi District Municipality also contributes to the slow progress of the transfers of properties.

There is an urgent need for middle and rental housing within the area and these applications have been submitted, however, the challenge remains due to the limited availability of bulk infrastructure and land in Sterkspruit.

The issue of disaster housing is gaining importance. Persons applying for emergency houses wait for long periods of time as the Department of Human Settlements waits until it reaches a minimum number of houses required in the area before it contracts a person to build them; and

Housing staff were trained on the HSS system and the Housing Needs Register. It is hoped that this will decrease allegations of corruption as persons cannot be removed from the list or moved up or down - it is in essence a national list.

FREE BASIC SERVICES

Introduction to Free Basic Services (FBS) and Indigent Support

In terms of its powers and functions, the Joe Gqabi District Municipality is the Water Services Authority and is therefore responsible for the implementation of all water and sewerage services, including Free Basic Services (FBS). Senqu Municipality, in conjunction with Eskom, is responsible for FBE (Free Basic Energy) and FBAE (Free Basic Alternative Energy). Currently there is a Service Level Agreement (SLA) in place with Eskom for FBE in the rural areas. This is based on technical data (20 A supply).

Senqu Municipality has both an Indigent and a FBE Policy in place. These cater for any household earning a combined income of no more than twice the official old age pension, which changes on an annual basis. This then entitles them to receive Free Basic Energy or Free Basic Alternative Energy. Free Basic Solid Waste Removal and a full subsidy on property rates is included for formally identified indigent households.

The Indigent Register was updated. The indigent verification was completed by utilizing the CAAT system and there were 6398 beneficiaries as 30 June 2023.

FREE BASIC SERVICES - including Solid waste /refuse removal 2022/2023(Comparison with previous financial year 2021/2022)

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2021/2022	2022/2023
The percentage of households earning less than two state pension fund per month with access to free basic services	31,04 % of our serviced consumers are registered as Indigent consumers. Senqu LM service 5757 consumers of which 1787 are indigent beneficiaries	27% of our serviced consumers are registered as Indigent consumers on. The municipality is in control of 7% percent coverage as compared to Eskom area of supply.
	Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.	Rural areas fall outside the Municipal service area and are thus not reported on during the year under review.
The percentage of households with access to basic level of solid waste removal	85,75% 6 713, households have access to refuse removal of which 5 757 receive free basic properties during the year under review. There are 956 properties where services were not collected these do appear on the collection site.	98,03% of our household have access to waste disposal during the year under review. 6 153, households have access to refuse removal of which 2410 receive free basic properties during the year under review. There were 881 properties where services were not collected these do appear on the collection site

Households Receiving Free Basic Energy

REGISTERED HOUSEHOLDS (Eskom & Municipality)	Year 2018/2019	Year 2019/2020	Year 2020/2021	Year 2021/2022	Year 2022/2023
Free Basic Energy	12 530	12640	12530	12530	12536
Free Basic Alternative Energy	497	497	497	625	650

Free Basic Services to Low Income Households										
	Number of Households									
	Total	Households earning less than R2 920 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
	44716	13273				12536	28%	2410	5.37%	
Year - 3	47 477	12640	JGDM	-	JGDM	-	12 640	26%	1790	3.77%
Year -2	39 438	12 523	JGDM	-	JGDM	-	12 523	32%	Not available	-
Year -1	41 408	14 943	JGDM	-	JGDM	-	12 523	30.4%	2 420	5.83%
Year -0	41 453	15 113	JGDM	-	JGDM	-	12 523	30.22	2 590	6.25%

FREE BASIC SERVICES: ELECTRICITY 2022/2023

INDICATOR NAME	TOTAL NUMBER OF HOUSEHOLD/ CUSTOMER EXPECTED TO BENEFIT	ESTIMATED BACKLOGS (ACTUAL NUMBERS)	TARGET SET FOR THE FINANCIAL YEAR UNDER REVIEW (ACTUAL NUMBERS)	NUMBERS OF HOUSEHOLDS/CUSTOMERS REACHED DURING THE FINANCIAL YEAR	PERCENTAGE OF ACHIEVEMENT DURING THE YEAR 2020/2021
1. Percentage of households with access to electricity services	Est 97% in urban Est 68% in rural	25 (urban – land invasion) 3 301 (Rural)	0 (done on application) 2 753	28 new connections (Urban-On demand) 324 (Rural)	100% 19% (Eskom)
2. Percentage of indigent households with access to basic electricity services	100% of applicants (Urban) 100% of applicants (Rural)	On application 578 (Urban) 12 533 (Rural estimated)	725 (Urban)	575 (Urban) 7 084 (Rural)	100% (Urban) 61% (Rural)

FINANCIAL PERFORMANCE YEAR 2022/2023: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED R '000

Services Delivered	Year 2021/2022			Year 2022/2023		
	Actual	Budget	Adjustment Budget	Actual	Adjustment Budget	Variance to Budget
Water	-	-	-	-	-	-
Wastewater (Sanitation) Electricity	8 116	13 248	15 248	12 002	15 248	1 940
Waste Management (Solid Waste)	13	6 616	6 616	0	6 616	6 616
Total	8 129	19 864	21 864	12 002	21 864	8 556

FREE BASIC SERVICE OBJECTIVES TAKEN FROM IDP

Service Objectives / Service Indicators	Outline Service Targets	2018/2019		2019/2020		2020/ 2021		2022/2023	
		Target	Actual	Target	Actual	*Current Year	*Current Year	Target	Target
		*Previous Year	(iv)	(v)	(vi)	(viii)	(ix)	(x)	(x)
(i) Service Objectives	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Provision of alternative energy support to low-income households that do not received free basic services	Low Income Households (LIH's) who do not receive all free basic services but do receive alternative support (total number of LIH's not in receipt of free basic services)	602 HHs	625 HHs receiving support	625 HHs receiving support	625 HHs receiving support	625 HHs receiving support	625 HHs receiving support	650 HHs receiving support	650 HHs
Facilitate the provision to access to adequate basic Electricity: Free Basic Electricity of 50 Kwh	Report on number indigent households receiving free basic services / inclusive of expenditure.	12 000	12 523	12 523	12 523	12 523	12 523	12 536	700

Comment on Free Basic Services and Indigent Support:

It must be noted that the Free Basic Services and Indigent Support Policies are revised annually, and Free Basic Services are paid for from the Equitable Share Grant as allocated under DORA.

Joe Gqabi District Municipality is the Water Services Authority and deals with all aspects of water and sewerage services, while the Senqu Municipality Technical Services Department is now responsible for Solid Waste matters until 1 July 2017.

In total 6713 households have access to refuse removal services of which 2 410 is free basic refuse removal services.

98.03% of households have access to refuse removal.

27 % of our serviced consumers are registered as Indigent consumers.

The electricity consumption is difficult to calculate as some households require the FBE units every month while others only obtain these once every two (2) to three (3) months, and therefore consumers are calculated on households that are registered.

There is currently only one (1) dedicated staff member for the FBS function. Notwithstanding it is the intention to employ an intern, with the possibility of long-term employment, to assist with FBS due to the magnitude of the service. The intention is to achieve a permanent FBS Unit within the next 3 years, budget dependent.

In areas that will not be grid electrified, the municipality will be completing and submitting applications to the DoE for solar energy, after assessment of the need is complete; and Applications have been submitted to the DoE for Solar Water Heaters for areas where criteria are met but no response has been received to date.

Challenges Experienced (FBS and FBAE)

- No vehicle
- Delivery logistics
- Insufficient staff
- Insufficient data
- Insufficient political assistance
- SCM turnaround time.

Budget vs Expenditure: Free Basic Services

	Year 2019/2020	Year 2021/2022	Year 2022/2023
Budget	12 082	16 900	16 656
Expenditure	9 132	11 353	8 129

NOTE: There is to be a concerted effort made to increase FBE in the new financial year.

COMPONENT B: ROAD TRANSPORT (ROADS, TRANSPORT AND WASTEWATER (STORMWATER DRAINAGE) ROADS

Introduction to Roads

Senqu Municipality has the largest and longest amounts of unsurfaced main roads and access roads. Within this geographical region it must be noted that following Gariep, Senqu Municipality has the second longest road length within this area.

The Transport Plan is completed by the Joe Gqabi District Municipality with input from all local municipalities. Road's forums are championed by the Department of Roads and Public Works (DRPW) but are seldom successful due to non-attendance of stakeholders and due to the insufficient availability of staff found within municipalities.

A Roads Maintenance Plan for 2022/2023 was approved for implementation. This involved planned maintenance for 56,12 Km of Roads in Wards' 1, 7, 8, 10, 11, 12 and 13 . The analysis of progress has been summarized as follows:

Summary Q1 of 2022/23

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 8	9010,00	3000,00	6010,00
R & M Gravel Roads - Ward 10	2480,00	3000,00	-520,00
R & M Gravel Roads - Ward 12	6320,00	3000,00	3320,00
TOTAL:	17810,00	9000,00	8810,00
Potholes			
Pothole R & M Ward 15	540 Potholes	N/A	
Pothole R & M Ward 10	310 Potholes	N/A	
Pothole R & M Ward 14	633 Potholes	N/A	
TOTAL:	1483 Potholes	N/A	

Summary Q2 of 2022/23

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 11	13210,00	3000,00	10210,00
R & M Gravel Roads - Ward 13	800,00	3000,00	-2200,00
TOTAL:	14010,00	6000,00	8010,00
Potholes			
Pothole R & M Ward 15	240 Potholes	N/A	
Pothole R & M Ward 10	94 Potholes	N/A	
Pothole R & M Ward 14	420 Potholes	N/A	
Pothole R & M Ward 8	605 Potholes	N/A	
Pothole R & M Ward 16	200 Potholes	N/A	
TOTAL:	1559 Potholes	N/A	

Summary Q3 of 2022/23

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 1	3090,00	3000,00	90,00
R & M Gravel Roads - Ward 13	7130,00	3000,00	4130,00
TOTAL:	10220,00	6000,00	4220,00
Potholes			
Pothole R & M Ward 15	427 Potholes	N/A	
Pothole R & M Ward 10	239 Potholes	N/A	
Pothole R & M Ward 14	883 Potholes	N/A	
Pothole R & M Ward 8	197 Potholes	N/A	
TOTAL:	1746 Potholes	N/A	

Summary Q4 of 2022/23

PROJECTS & WARD	KM	Estimate km	Diff
R & M Gravel Roads-Ward 1	5580,00	3000,00	2580,00
R & M Gravel Roads - Ward 7	8500,00	3000,00	5500,00
TOTAL:	14080,00	6000,00	8080,00
Potholes			
Pothole R & M Ward 15	510 Potholes	N/A	
Pothole R & M Ward 10	89 Potholes	N/A	
Pothole R & M Ward 14	496 Potholes	N/A	
TOTAL:	1095 Potholes	N/A	

Overall, the target relating to Roads Maintenance was overachieved. This was mostly due to more blading and not total re-graveling as requested by ward councillors and communities.

An analysis of our tarred roads has indicated as follows):

- the resurfacing of the R58 FROM Aliwal North to Barkly East were done and the last part of painting of lines and cutting repairs is still in process. Once that is done the project will be finish. This project started in 2021 up to now in 2023.

The R 393 between Lady Grey and Sterkspruit is for the most part found to be in good condition, but there are sections that are failing. In these instances, there are an increased number of potholes that have occurred; and livestock found on the road are commonplace because of having been stolen or due to poor/lack of fencing. This represents a danger to both animals and drivers; and Business plans are drawn up annually and submitted to the Department of Transport during each new financial year, for any required surfacing of roads, identified as top priority by Council.

In terms of Gravel/ Unsurfaced Roads it is fair to say that, despite maintenance by the DRPW, most of provincially maintained gravel roads have deteriorated significantly to a level where they need extensive re-gravelling and low-level bridges need repair or replacing. The DRPW is required to re-examine their strategy and to investigate ways in which a more sustainable road surface process (such as interlock paving) can be utilized. This is also required as it is noted that the quantity and quality of gravel is diminishing. Ultimately this will result in a situation where people will be unable to access goods and services or will be required to pay a high price for the transport of goods and persons, due to poor or impassable roads.

This is compounded by extreme weather conditions such as flooding and snow. Several roads aside from the above have been prioritised for re-gravelling and priority upgrading by the municipality through the DRPW.

Roads requiring urgent attention

The R 396 from Barkly East to Rhodes as this leads to an important tourist destination. Access roads to the 7 gravel passes of Lundeansneck, Joubert's, Otto du Plessis, Carlislehoek DR 03230, Volunteers (MN 20635), Bastervoetpad, and Naudesnek (R396). These passes incorporate three (3) of the highest passes in South Africa. In addition, the roads leading to Tiffindell Ski Resort must be attended to, noting that this is the only ski resort in South Africa however currently not in use. DR 393 to Lundeans Neck and Sterkspruit from Barkly East. Upgrade of DR 03214, DR 03221 and DR 3222. Access roads to hospitals and villages. Khiba DR 08526 Road. Coville DR 08510 Road. Mlamli DR 08606 Road. (Project is currently in process) Herschel to Manxeba to Sterkspruit DR 08511 Road (Interlock paving/Asphalt surfacing). Road from Sterkspruit to Holo Hlahatsi Dam DR 08521/DR 08516 (previously Jozanashoek Dam) - Interlock paving / Asphalt surfacing.

Herschel/Manxeba/Sterkspruit (interlock paving/asphalt surfacing; and Access Roads are required to be maintained by municipalities in terms of the Municipal Structures Act (although this is not financially viable for Senqu Municipality) - maintaining all roads as frequently as planned for optimal maintenance. The municipality inherited a backlog of maintenance of existing access roads as well as many villages which don't have access roads or internal roads. Taking this into account together with the acknowledgement of the small tax base and high levels of unemployment, it is observed that the municipality is heavily reliant upon MIG grant funding for construction and rehabilitation of roads infrastructure and the Equitable Share for the repair and maintenance of roads.

In terms of Powers and Functions, Senqu Municipality is responsible for all access and municipal roads in its area. The balance of roads falls under the powers and functions of the Department of Roads and Public Works (DRPW) now known as the Department of Transport (DoT), as of 1 April 2018. As in previous years, the Municipality has engaged its municipal wards to identify and prioritize the access roads that required surfacing/paving.

Streets within towns are the responsibility of the relevant local authority. Streets within townships in all the urban settlements are mostly in a reasonable state, however it is noted that Lady Grey and surrounding areas have been affected and hit in the past by weather extremes i.e., flooding, and localized flooding and/or affected by severe drought conditions. In all instances these circumstances may lead to impassable roads and poor access across the Senqu area during times of bad weather.

The original RDP housing constructed in Kwezi Naledi has contributed to the original flooding challenge due to incorrect building practices (failure to build above the natural ground level) and it is noted that communities block storm water flow due to illegal access constructions and dumping of waste in storm water channels.

Senqu Municipality does not have any entities responsible for rendering road maintenance services within the municipality. Capital projects are completed through the procurement of professional service providers and contractors and funded through the MIG programme and internal funding. Capital projects are identified through the IDP process, prioritised by the IDP & Budget Steering Committee and dependent on available funding. These priorities change periodically to suit the changing needs of the community. It must be noted that the weather patterns (heavy rain/snowfall) wreak havoc on the gravel roads, and this will in turn lead to changes within the MTERF.

As the quality and quantity of gravel is rapidly dwindling within the area, the use of gravel access roads is currently being phased out in favour of interlock paving, which is sustainable and has high job creation content. The adopted Roads Policy now incorporates the construction of sustainable roads as well as the provision of an on-going sustainable source of job creation for years to come.

The Barkly East, Mokhesi, Zwelitsha, Ext 4, Lady Grey (inclusive of Khwezi, Steve Tshwete) asphalt surfaced roads required urgent attention in terms of revitalisation, resurfacing and possible rehabilitation, failing which there is a real risk of having to downgrade these roads to Class 5 (gravel roads). The MIG infrastructure also needs to be prioritised for maintenance.

Currently the municipality is in possession of its own roads team that was used in the construction, rehabilitation, and maintenance projects until recently, when Council resolved that the team be used for maintenance purposes only. This has also been incorporated into the adopted Roads Policy. While this should have provided a boost to the current road infrastructure lifespan, it did not occur, due to the low-level maintenance strategy of Council. It must be emphasized that this is a short-term solution that requires a higher level of maintenance through capacitation within the roads section. It is further noted that the Senqu area is too large for the roads team to be considered efficient and the maintenance of municipal roads in urban areas is also dealt with by the roads team. Some roads require major maintenance and are required to be re-gravelled. This then slows down the maintenance program, which in turn affects performance targets.

This all occurs at the cost of time, which is contradictory to the Councils current strategy of attempting to reach all wards and their communities; and It is noted that each constructed/rehabilitated road will only be visited once every 2 to 3 years as there are insufficient plant and operators to do this more frequently and to ensure that this occurs at the proper level. This is an extremely inefficient option and plan, as each road needs to be maintained at least once per year and following every heavy rainfall/snow. The cost of sufficient plant and staff to maintain the entire area will be high and therefore will need to be phased in but should be considered as a high municipal priority. The replacement of existing plant also needs to be considered.

Backlogs will likely increase again once existing roads find themselves severely impaired at the end of their lifetime. This will be due to the insufficient maintenance capability required to extend lifespans of the new roads. This has largely contributed to the Council policy of constructing more sustainable roads and creating jobs using interlock paving systems.

Maintenance in urban areas takes longer than in rural areas due to greater existing infrastructure, road furniture and access ramps.

The cost of plant purchases is planned as a phased in approach over various financial years by the municipality (budget dependent). There is however a real need for more plant and operators to split the team into two sections in order to establish re-gravelling team and a light maintenance team. The need for Plant Operators within the area is also a critical issue as they represent a scarce skill and tend to prefer to work in the private sector as the benefit is greater. The municipality is continuously busy with an on-going training programme that results in all operators obtaining official "Operator Certificates".

The matter of powers and functions sometimes leads to a frustrated community as the access roads of the municipality are often in better condition than the provincial roads. This can be attributed to lack of integration in the maintenance programmes. Meetings have been held with the local DRPW office, but they also have resource issues.

Pothole Repairs

During the current year the following pothole repairs were completed:

POTHOLE REPAIRS 2022/2023			
	Target	Actual	Variance
Barkly East	1000	1717	-717
Lady Grey	1000	2432	-1432
Sterkspruit	1000	732	268
Mokhesi	1000	802	198

Note: Additional potholes were caused by heavy rain and further deteriorating road conditions.

It remains difficult to establish targets on pothole repairs as they may increase due to poor weather. Senqu did experienced a challenge with the supply of materials for pothole repairs and is trying to have a permanent solution in having materials supplied on a 3 year contract In Barkly East, Zwelitsha and Mokhesi the current asphalt roads are extremely bad and break up due to age, making pothole repairs almost impossible. In addition, as when they are repaired the existing road surface surrounding the repair work breaks up. These roads are in urgent need of rehabilitation or within a few years they will have to be converted back to standard gravel roads, increasing maintenance cost and time, and decreasing sustainability.

There are numerous bridges that are required to be replaced / renovated within the area, but these exist mainly on provincial roads for which the DRPW has insufficient budget.

Gravel Road Infrastructure

GRAVEL ROAD INFRASTRUCTURE				
	Kilometres			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/Paving	Gravel roads graded/maintained/ re-gravelled
Year 2020/2021	606			89,68
Year 2021/2022	606			61,60
Year 2022/2023	606			56,12

NOTE: Only roads constructed by MIG and streets on the assets register were maintained as it is a condition of MIG to maintain infrastructure. There is insufficient capacity to maintain all roads within the

area unless more resources are allocated in terms of plant and staff.

Gravel Roads (Infrastructure and Maintenance)

TARRED ROAD – INFRASTRUCTURE KILOMETRES					
	Total tarred roads	New tar roads constructed	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads-maintained Potholes Repaired
Year 2020/2021	15	0	0	0	7 511
Year 2021/2022	15	0	0	0	8 945
Year 2022/2023	0	0	0	0	5 883

ACTUAL COST OF CONSTRUCTION/MAINTENANCE						
R'000						
	Gravel			Tar/ Paving		
	New	Gravel	Maintained	New	Tar/Paving	Maintained
Year 2020/2021		7265	89680	0	29175	1171
Year 2021/2022	0	7265	61600	0	29175	8945
Year 2022/2023	0	7 265	56120	0	29 175	5883

ROAD SERVICE OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators	Outline Service Targets	Year 2019/2020		Year 2020/2021			Year 2021/2022	2022/2023	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(viii)	(ix)	(x)
To upgrade and maintain current infrastructure: Internal Roads Team	Validation of km / report quantifying the number of kilometres/meters maintained/ constructed internally	12,78 (target)	89,68 km	12,78 km	12	61,6	21	56	60
	MIG Reports / consultant / contractor's performance reporting. Pedestrian and Road Bridges constructed	0	0 – Under construction – Extension of time due to weather	2	2	0	0	0	0
	MIG Reports / consultant / contractors performance reporting / validation of km / Report quantifying the number of kilometres/meters of access road constructed	13.1	10.3	10.3 km gravel road & 5.1 km upgrade to paving.	12.07	12	6.76	13.01	6

Employee Statistics (Roads Services)

Provided by Directorate of Technical Services

Please note that this information includes funded and unfunded vacant positions in terms of vacancies.

EMPLOYEES: ROADS SERVICES					
Job Level	Year 2020/2021	Year 2022/2023			
	Employees	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	
0-3	19	21	20	1	4.8
4-6	0	12	12	0	0
7-9	14				
10-12	1	2	2	0	0
13-15	1				
16-18		1	1	0	0
19-20					
Total	35	36	35	1	2.8

Note: The number of employees has increased due to the adsorption of previous contract staff (job creation).

Details	Year 2022/2023			
	Original Budget	Adjustment Budget	Actual	Variance to original Budget
Total Capital Revenue	39 608	44 899	36 030	0
Expenditure	17 383	13 131	13 793	(662)

Financial Performance Year 2022/2023: Road Services

FINANCIAL PERFORMANCE YEAR 2022/2023: ROAD SERVICES					
R'000					
Details	Year 2021/2022		Year 2022/2023		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	27 140	39 608	44 899	36 030	(8 869)
Expenditure					
Employees	8 911	7 353	7 361	7 259	(102)
Repairs and Maintenance	2 115	8 892	8 212	3 676	(4 536)
Other	11 567	12 847	11 193	11 040	(153)
Total Operational Expenditure	22 593	29 092	26 766	21 975	(4 791)

Table: Expenditure (Non-MIG)

Details	Year 2022/2023		
	Original Budget	Adjustment Budget	Actual Expenditure
Total Capital Revenue	-	-	-
Expenditure			
Change Rooms - LG	635 309	234 309	0.00
NEW_Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges	5 640 000	3 640 000	770 989
New Rest Construction - Paving	940 000		
Tienbank_Access to Property (180 Properties)	188 000	400 000	0.00
Renew_Transwilger Bridge	1 880 000	1 880 000	1 333 931
Construction of interlock paved streets in Khwezi Naledi (Steve Tswete) W 14	6 824 204	6 483 897	6 453 093
New_Herschel Community Hall	893 000	893 000	368 256
Renew_Renovation (Barkly East Town Hall)	8 235 320	8 235 000	660 526
Fencing of existing cemeteries at Joveleni, Hinana and Voyizana	806 857	306 857	0
Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 & 14)	300 000	300 000	0
Barkly East & Lady Grey Boundary Fence	350 000	670 000	524 197
Construction of Lady Grey Animal Pound	0	400 000	0
Solid Waste Site - Sterkspruit	0	0	0.00
Construction of Transfer Station in Rhodes	1 200 000	200 000	0.00

Comment on the Performance of Roads Overall

Un-licensed borrow pits present an extreme compliance challenge in terms of legislation, usage by all and the fact that they are located mainly in tribal areas. This also results in access difficulties experienced by contractors due to the tribal authority/community interference. The registration of borrow pits is currently underway as a project.

The quality and quantity of gravel available for roads construction is diminishing rapidly in the area and this results in over-haulage or crushing. This raises the costs of construction and maintenance. Accessibility to gravel requires roads to be constructed with borrow pits to procure gravel and this leads to further delays.

The municipality is working according to a Roads Maintenance Plan. Delays in the Roads Maintenance Plan is generally caused by unforeseen circumstances and circumstances beyond Senqu Local Municipalities control. Delays were also caused by litigation issues or through poorly drafted tender specification documents.

In terms of other targets, it must be noted that in many instances the targets were able to be met. In those that were not, SCM and issues with the specification committee/adjudication committee were at

times to blame for lack of appointment and/or unnecessary delays.

The municipality is urgently required to consider the increase of plant and staff for roads maintenance to meet its Constitutional and MIG mandate and to physically implement sufficient roads maintenance. Meetings have been held with the DRPW to integrate maintenance on all roads in the area and to obtain mutual assistance where possible. Due to insufficient resources and political priorities, this has not been proven to be successful.

Road signage is a legal issue and is dealt with by the traffic department but the Roads section assists with labour when signage must be replaced or painted although the roads section have very little capacity.

A prioritised, costed roads and storm water master plan is critically required for proper budgeting and planning to take place.

The current 'low level maintenance' strategy was unsuccessful as almost all the roads have been found to require complete re-gravelling back to a 150mm wearing course and base repairs in places; and There is confusion within the community as to the difference between a "constructed road", an "unconstructed road" and a "track" which all have different needs and costs. This results in high expectations from the roads section which cannot meet the expectations of the community.

TRANSPORT (MOTOR VEHICLE LICENSING)

Introduction to Motor Vehicle Licensing

Currently the functions of: Learners and Drivers Licences; vehicle registrations; and vehicle licensing are provided at the designated Traffic Testing Stations in the Senqu Municipal area in Barkly East.

Appointment of professional consultant to plan, design and identify has been done. Appointment of contractor has been done. All specialised studies for the development of Sterkspruit DLTC are complete. The site that was identified for this purpose has since been changed from Sterkspruit Prison site to ERF 79 & 80 closer to Thusong Centre It is noted that this NATIS motor vehicle registration facility service is rendered by Council on an agency basis for the Department of Transport in Lady Grey, Sterkspruit and Barkly East; and Due to insufficient budget, Senqu Municipality has not been able to ensure that the roadworthy division in Barkly East meets the compliance criteria sufficient for registration and operation as a centre. More specifically, it lacks all the required resources to be able to function in this capacity formally. It is worth noting that this testing station / division of roadworthy system, has not been functional for the 3 past financial years *since 2017/2018. Moving forward, an analysis and review/report on the management and functionality of this test station is required. Contributing factors relate to poor and/or lack of management, budgeting, planning, lack of resources, lack of human capital and maintenance at this test division. Extensive investigations are required to be conducted.

Traffic Section Objectives

Provision of facilities for the licensing of motor vehicles within existing centers.

Maintenance and utilization of the National Traffic Information System (Natis) on behalf of the Department of Transport.

Establishment and operation of a fully compliant Motor Vehicle Registration and Licensing facility within Sterkspruit, sanctioned by the Department of Transport. This center is intended to provide driver testing and plans are in place to develop the DLTC in Sterkspruit.

Provision of traffic calming methods are progressing well especially in Sterkspruit. Continuous updating and training of staff on the operation of the Natis System occurs. Herein below is the summary of services offered in the Barkly East DLTC

SERVICE PROVIDED	YEAR 2021/2022	YEAR 2022/2023	Comments
TESTING OF DRIVING LICENCE	1841		
TESTING OF LEARNERS LICENCE	680		
TESTING OF MOTOR VEHICLE	0		

Comment on the performance of Vehicle Licensing Overall

Regular reporting on the licensing and testing of vehicles was provided as required. No vehicles were tested for roadworthiness during 2022/ 2023 or the previous financial year. It must be noted that the roadworthy testing system has not been functional since the last financial year. The Roadworthy division in Barkly East does not meet compliance criteria and does not have all the required resources to function.

Moving forward, an analysis / review /report of the management and functionality of this test station is required and acknowledgement that there are several contributing factors that have resulted in: poor / lack of management, budgeting, and planning; and the lack resources, human capital, and maintenance at the test division. This will improve when sufficient personnel has been deployed at management level. The absence of the manager for public safety exacerbate matters.

WASTEWATER (STORMWATER DRAINAGE)

Introduction to Storm Water Drainage

Senqu Municipality does not use entities to maintain storm water systems within the area. When required, capital construction is outsourced through the procurement policy for the services of a consultant and contractor and these projects are funded through the MIG programme. Historically, due to the implementation of mSCOA, the cleaning of storm water drainage was moved from the Technical Services Department to the Community Services Department. Despite this arrangement, maintenance construction remains within the Technical Services Department.

The on-going cleanliness of the storm water system is conducted through the job creation programme as there are no designated permanent staff appointed to the storm water function. While “storm water” is generally regarded as a roads project, construction aspects are separated and as per mSCOA CAPEX requirements, roads and storm water are depicted separately.

Historically it is to be noted that there are storm water control issues that are present throughout all the areas of Senqu. Indigent and rural areas are included. The rural challenges provide the greatest challenge as they have been caused by uncontrolled development. This occurs when tribal authorities allocate land at will and then demand basic services. The municipality is not in possession of the manpower and capacity to manage these issues effectively.

RDP/indigent projects experience challenges in that the roads and storm water infrastructures are poorly constructed due to budget constraints on project funding. The situation is then made worse over time and results in more critical issues occurring. It has also been noted that there are instances in which

people interfere with their own constructions, compounding the issue of blockages further. By way of example, it must be noted that in Lady Grey, Barkly East and Herschel, grey water is experienced as problematic. This is by necessity, discharged into the storm water system, as there are no other options for this.

Overall comments on the performance of storm water drainage:

The storm water capital programme is being dealt with on an on-going basis, as part of the roads programme and is dependent on resources, although there have been dedicated projects in the past. These capital projects are now implemented by the Department of Development and Town Planning Services.

The job creation programme is used for cleaning existing systems on an on-going basis. Storm water infrastructure physical repairs are dealt with by the road’s maintenance team and cleansing within the job creation programme, under the supervision of the Community Services Department. The lack of capacity and attempts to reduce costs have resulted in the roads and storm water function being an operational priority (except for cleaning). There is a dedicated storm water section reflected in the organogram but there are insufficient resources for a storm water section.

There are very serious storm water issues experienced within all the villages (86 in total) and within the Kwezi Naledi and Nkululeko townships. Rossouw experiences the greatest problems as there is insufficient roads & storm water infrastructure and the cost of creating this will be extremely high compared to its benefit. As there is no town planning (historically) it is extremely difficult to control storm water, aside from the cost.

Sterkspruit has mostly been dealt with although a few areas still require attention. These are slowly being addressed under the road’s construction programme of the municipality. Realistically it will take years and an exorbitant amount of funding to address these challenges throughout the Senqu area. This on its own remains a further motivation for sustainable roads and storm water systems. In short, gravel does not work and is compounded by the lack of capacity for maintenance. During the current year successful construction of 1,5km of storm water control in Ward 1 (Walaza, Thozama, Bikizana & Magubudela). In other instances, a great deal of challenges relating to the storm-water function were experienced and progress was not achieved as a result. Reasons for this included: issues brought about by COVID-19; delays in the supply chain process; failure to finalize tender specifications; litigation issues with SMMES; issues requiring resolution with the Demarcation Board regarding boundaries and the like.

It is noted that there is no dedicated Storm Water Department; and There is no Storm Water Master Plan.

COMPONENT C: PLANNING AND DEVELOPMENT (PLANNING AND LOCAL ECONOMIC DEVELOPMENT)

PLANNING AND DEVELOPMENT

Introduction to Planning and Development

It must be noted that there is insufficient capacity (both human and financial) within the Housing Unit, to achieve accreditation currently. In terms of mSCOA, it is acknowledged that housing is no longer a core function. As a direct result, the municipality is no longer directly involved in housing.

It is acknowledged that the Spatial Development Framework (SDF) represents a shared responsibility between both the IDP and the Town Planning units. Despite efforts to staff this unit there have been limited dedicated resources for the SDF over the past few years. To alleviate this challenge, a service provider has been appointed to assist the municipality to review the SDF, in terms of SPLUMA (Spatial Planning and Land Use Management Act). The previous SDF was adopted by Council on the 31st of March 2017. A SPLUMA compliant SDF was finalised and approved by Council during prior financial year. The municipality has developed local spatial development frameworks for Lady Grey, Barkly East and Sterkspruit. The municipality has also developed a land use scheme as per the requirements of SPLUMA. The municipality is currently developing an Urban Design Framework for the Sterkspruit town and the surrounding villages. This will be used as a guiding document to transform the town and make it more functional.

The municipality has also developed a wall-to-wall land use scheme that is compliant with SPLUMA. The Land Use Scheme (LUS) was adopted by Council on the 31st of March 2017. This is a requirement in terms of the Spatial Planning and Land Use Management Act 16 of 2013. The objective of this project is to have uniform town planning regulations for the entire municipal area that will also accommodate the needs of the rural community. This tool will enable development to occur in a controlled manner and will assist in enforcing the principles of the Spatial Development Framework. The Land Use Scheme will be reviewed in 2023/24 financial year. It must be noted that there might still be challenges as the municipality currently has only (2) two Building Control Officers for the entire municipality.

Senqu Municipality comprises a large rural environment consisting of mountainous areas, 86 villages and the towns of Barkly East, Sterkspruit and Lady Grey as well as the hamlets of Rhodes, Rossouw and Herschel. This makes prioritised planning difficult as politically and realistically, not all parties within these areas can be fully accommodated on all levels of need.

Land invasion remains a large concern for the municipality. The Building Control unit attends to land invasion matters on a weekly basis and when an emergency arises. They issue contravention notices to the invaders and give them time to comply. Regular site visits are conducted during this time and when the invaders do not comply, matters are then forwarded to the attorneys of the municipality. The municipality has developed a bylaw on illegal occupation of land in the 2021/2022 financial year.

This unit also attends to Town Planning and the National Building Regulations contraventions to ensure that the development occurs in a harmonious manner that will promote health, safety, social cohesion, and economic development for the communities.

This section is also involved in facilitating the implementation of Housing Development in Senqu by the Provincial Department of Human Settlements. Accordingly, this section reports monthly on the number of houses already built. More specifically, 1329 houses were completed overall. In Ward 9: 509 houses

were completed, and 509 houses were handed over out of the 539 units planned for the financial year. In Ward 10: 506 houses were completed and handed over, and in Ward 17: 314 houses were completed and handed over.

The challenge that the unit faces with attending to land invasion, town planning and building control is the insufficient staff, the lack of knowledge of procedures and legislation from the public and the fact that sheriffs at times do not execute the court orders to evict the illegal occupants because they are threatened by the illegal occupants, and they get no assistance from SAPS.

Senqu Municipality has further been able to develop a Land Use Management System that is compliant with SPLUMA and business processes for the division. Policies are being developed for the division that will assist in operational requirements. Currently the division has one policy for both town planning and building control.

Physical planning needs are based primarily on community needs which are prioritized by the IDP and Budget Steering Committee, taking all resources into account. The Technical Services Directorate is involved in the implementation of all infrastructure capital projects, although some are reported on by other departments (e.g., solid waste sites) depending on where the responsibility lies. These projects are managed by the Project Management Unit (PMU) of the municipality, including implementation planning, time frames, budget, and the like.

Building Plans 2021/2022 and 2022/2023

Category	Number of new applications received	Total value of applications received	Number of new applications received	Number of new applications received	Total value of applications received	Number of new applications received
	30 June 2022	30 June 2022 Rand	30 June 2022	30 June 2023	30 June 2023 Rand	30 June 2023
Residential new	2	R1 020, 600	2	5	R 3300,000	5
Residential additions	10	R980, 000	10	21	R 1750,000	21
Commercial	0	0	None	0	0	None
Industrial	0	0	None	0	0	None
Other (specify)						
Telecommunication mast	0	0	None	11	R 7500.000	11
Signage	0	0	None			
Church	1	R650,000	1	1	R1074,60	1

Town Planning Applications 2022/2023

Applications outstanding 1 July 2021	Category	Number of new applications received July 2022	Applications outstanding 30 June 2023
0	Rezoning	1	1
0	Consolidation	2	0
0	Sub-Division	1	0
0	Special consent	0	0
0	Temporary departure	1	0
0	Closure of public open space	1	1
0	Permanent departure	0	0

Planning Policy Objectives Taken From IDP

PLANNING POLICY OBJECTIVES TAKEN FROM IDP									
Service Objectives / Service Indicators (i)	Outline Service Targets (ii)	Year 2020/2021		2021/2022			Year 2020 - 2023		
		Target	Actual	Target	Actual	Target	2020/2021	2021/2022	2022/2023
		*Previous Year (iii)	(iv)	*Previous Year (iii)	(iv)	*Previous Year (iii)	(iii)	(iii)	(iii)
Service Objectives									
Construction of access roads	Construction of 200 km of access roads	9.5	33	25	10	10	12	9.5	6.76
Construction of river crossings	Construction of 2 river crossings	2	2	0	2	2	1	2	0
Renovation and construction of municipal property	Renovation of offices, mayoral residence & construction of Fleet Bay	100%	100%	100%	100%	100%	100%	100%	0
Sterkspruit Taxi rank	Completion of construction (multiyear)	80%		-	-	-	80%		0
Construction of houses	1302 low-cost units in Barkly East, Lady Grey, Rhodes & Rossouw.	69.25%	0%	0%	4000	3500	3500	69.25%	100%
Reduce electricity losses	To be at acceptable limits (15% or lower)	16%	15%	15.03%	15%	14%	14%	16%	17%

Capital Investment Programme

The capital project investment programme is run and managed by the PMU Unit which is in the Technical Services Department.

PMU Employee Statistics

Table: Employee Statistics (Planning Services)

EMPLOYEES: PLANNING SERVICES (MIG PMU)					
Job Level	Year 2021/2022	Year 2022/2023			
	Employees No	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
TASK					
0-3					
4-6					
7-9	1	1	1	0	0
10-12	3	1	3	0	0
13-15					0
16-18	1	1	1	0	0
19-20					0
Total	5	5	5	0	0

Note: No funded vacant positions for this financial year.

An annual PMU Business Plan is submitted annually to COGTA for approval of the budget for the PMU unit.

All projects form part of the Integrated Development Plan.

Financial Performance (MIG Project Management Unit)

FINANCIAL PERFORMANCE YEAR 2021/2022: MIG PROJECT MANAGEMENT UNIT					
Details	Year 2021/2022	Year 2022/2023			
	Actual	Original Budget	Budget Adjustment	Actual	Variance Original Budget
Total Operational Revenue	5 608	7 874	8 666	6 351	(2 315)
Expenditure (Total MIG UNIT)	1 561	3 049	3 055	2 699	(356)
Total Operational Expenditure	1 561	1 921	1 423	537	(886)
Net Operational Expenditure	4 047	4 970	4 478	3 236	(1 242)

Challenges and improvements influencing projects

CHALLENGES		IMPROVEMENTS
Objections during public EIA participation processes delaying implementation of projects	1	Objections can be over-ruled dependent on circumstances
Community resistance / Land matters in community lands	2	Politicians aware of the resistance
Poor performance of service providers	3	Successful meetings held with Service Providers to improve performance
PMU under capacitated	4	Two Civil Technicians were appointed as of 2nd January 2019
Non-responsive tenders requiring re-advertisement	5	CIDB and SCM are attempting to workshop contractors
Eskom infrastructure issues and poor communication	6	Issues raised
Budget estimates not always correct	7	The implementation of mSCOA is there to assist and to resolve
SCM Regulations oblige appointment of Service Provider with highest points	8	There is allowance in the regulations for SCM to investigate further service provider for appropriate appointments
Non-appointment of contractors due to funding shortages and pending confirmation leads to delays	9	The BEC & BAC meetings sit monthly
Project savings remain uncommitted and therefore contribute to uncommitted funds	10	NT will be requested that no funding be removed as all will be used in the new year with projects currently out for tender
Difficulty in start timing of multi-year projects due to budget	11	Unfortunately, this cannot be changed with exception of loans
End user departments not fully co-operating during project implementation stage	12	Ensure commitment and understanding between PMU & end user department
There is grey area on functions between SCM & PMU from tender advertisement to tender award period	13	Conducting workshops and formulation of standard operating plan.

The previous financial year - MIG Project Detail 2022/2023

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2022/2023)	ACTUAL EXPENDITURE (2022/2023)	CURRENT YEAR ROLLOVER / COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Tienbank_Access to Property (180 Properties)	400 000	0.00	-	Own funding	Re-advert
Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14	6 483 897	6 453 093	-	MIG	Design
Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges..	3 640 000	770 989	-	Own funding	Design
New Rest Construction - Paving	-	-	-	MIG	Litigation
Pound Project Lady Grey	400	0	-	Own funding	Retention
Community Assets					
Construction of Sterkspruit Driving License Testing Centre	-	585 110.77	-	MIG	Registered - Design
Construction of Blue-Gums Sportfield	357	310	-	MIG	Registered - Design
Construction of Change rooms - Lady Grey	234 309	0.00	-	Own funding	Design
Renovations (Barkly East Town Hall)	8 235 000	660 526	-	MIG	Construction
Herschel Community Hall	893 000	368 256	-	MIG	Registered - Design
Community Cemetery					
Construction of New Cemetery in Barkly East	4 815	3 748	-	MIG	Registered - Construction
Fencing of existing cemeteries at Jovelani, Hinana and Voyizana	306	0	-	Own funding	Design
LG & Herchel Cemetry Layout	300	0	-	Own funding	Design
Solid Waste Sites					
Construction of a new SWS in Herschel (W11)	2 820 000.00	1 916 430.29	-	MIG	Registered - Construction
Solid Waste Site – Sterkspruit	-	-	-	Own funding	Procurement for land availability
Construction of a new SWS in Rossouw (W 15)	6 392 000.00	5 021 532.00	-	MIG	Registered - Construction
Upgrading of Lady Grey Solid Waste (Ward 14)	6 928 030.00	5 963 599.31	-	MIG	Registered - Construction
Solid Waste Site - Rhodes	200 000	0.00	-	Own funding	Design
Other					
PMU 5%	3 055	2 699	-	MIG	Registered
TOTAL	45 459 236	27 969 936			

The performance of MIG remains a concern for the municipality and the municipality is devising plans to improve this. As stated in the previous financial year, the PMU section. A panel of Consultants in different disciplines has been appointed

The current financial year - MIG Project Detail 2022/2023

The previous financial year - MIG Project Detail 2021/2022

PROJECT TYPE	MUNICIPAL ADJUSTMENT BUDGET (2020/2021)	ACTUAL EXPENDITURE (2020/2021)	CURRENT YEAR ROLLOVER / COMMITMENT (MUNICIPAL)	FUNDING STATUS	PROJECT STATUS
Roads					
Roads between Esilindini and Frans	2 270 000	4 040 058	-	MIG	Registered
New Rest Construction – Paving	250 000	-	-	MIG	Registered
Construction of Bus Route in Boyce Nondala Township Barkly East	9 425 958	10 473 286	-	MIG	Registered
Construction of 6 km Access Roads with Storm Water control W1	4 230 000	4 154 802	-	MIG	Registered
Community Assets					
Construction of Lady Grey Animal Pound	2 081 000	1 730 340	-	MIG	Registered
Solid Waste Sites					
Upgrade Barkly East Solid Waste Site	11 183 792	7 635 817	-	MIG	Not Registered
Upgrade Lady Grey Solid Waste Site	500 000	-	-	MIG	Not Registered
Old Sterkspruit SWS Compliance & Rehabilitation Construction	2 200 000	875 616	-	MIG	Not Registered
Other					
Upgrade Second Floor Building	10 920 000	8 853 026	-	MIG	Registered
TOTAL	40 860 750	36 887 329			

The performance of MIG remains a concern for the municipality and the municipality is devising plans to improve this. As stated in the previous financial year, the PMU section has been beefed up and a new Director has been appointed since the contract of the previous Director ended. The municipality will continue to monitor this aspect until it is satisfactorily improved.

Overall, in the past five years the municipality performed reasonably and there is a room for improvement.

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Introduction to Economic Development

The strategic direction of Senqu Municipality is informed by the Integrated Development Plan (IDP) (2022-2027) and within this it's 5-year Local Economic Development Strategy (LED Strategy). The strategy referenced was ultimately adopted 30 June 2022 together with the SMME Strategy and Responsible Tourism Plan.

Objectives of the five (5) year LED strategy

Economic Development within Senqu Municipality is driven by the LED Strategy and its objectives as stated below:

(Objective 1: To grow the local economy by 3 % by 2027

- Strategy 1: To attract 2 main investments by 2027

Objective 2: To increase employment by X % in 2027

- Strategy 1: Engage appropriate stakeholders on how to develop appropriate skills for the modern economy
- Strategy 2: Development of an SMME strategy
- Strategy 3: Development of SMME's Hubs
- Strategy 4: Facilitate the development of organisations to mentor and assist emerging businesses.
- Strategy 5: Utilise more labor-intensive methods in capital infrastructure projects

Objective 3: Stimulation of the rural economy

- Strategy 1: Facilitate the development of access to market for emerging farmers with appropriate stakeholders
- Strategy 2: Facilitate the maintenance of the most important rural roads for farmers
- Strategy 3: Facilitate the access for emerging farmers to machinery
- Strategy 4: Engage appropriate stakeholders on how to improve mobile phone coverage and increase data speeds

Objective 4: Development of investor friendly and attractive urban areas

- Strategy 1: Develop a red tape reduction strategy to reduce business turnover time on applications
- Strategy 2: Development of legally compliant businesses
- Strategy 3: Utilisation of the green economy

Economic Indicators (as reflected in the IDP)

- Senqu local economy generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%).
- From 2000 to 2010, the local economy has grown at an average rate of 3.0% pa. The District and provincial economies have averaged 5.6% pa and 3.2% per annum, respectively, over the same period: and Total formal employment within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e., ranking second to Elundini (36.7%).

- Senqu local economy generates 3,6 billion per annum which is just under a third of the total District GVA.
- Senqu Local Municipality achieved an average annual growth rate of 1,03% from 2010 to 2020 which is a higher GDP growth than the Eastern Cape Province's and South Africa (IHS Markit, 2020).

Economic Growth, Structure and Sectors

- It is noted that of the GDP of R 3.07 billion in 2016 (up from R 1.16 billion in 2006), Senqu contributed 29.42% to the Joe Gqabi District Municipality GDP.
- Annual growth is forecast at 2.13% pa from 2016 to 2021. This is higher than JGDM and SA whose annual growth is 1,61%.
- In 2016 the community services sector represented the largest sector within Senqu Municipality and accounted for 1.23 billion or 44.2 % of the total GVA. The sector that contributed the second most to the GVA is the trade sector at 19.4 %, followed by the finance sector with 12.4 %. The sector that contributed the least was the mining sector with 7.08 million or 0.25 % of the GVA (Ecsecc,2017:26).
- During 2006 the unemployment rate was 28.3% which decreased to 27.1% in 2016.
- The poverty gap rate in Senqu Local Municipality amounted to 30.0%. This represented a decrease from 2006 at 32,5 %.

Overall, the economy is at risk because it has become over reliant on certain sectors.

Most of the employment is to be found within community services; and There is a low skill level with only 69.33% of the population being functionally literate, although this has improved from the level of 58,3 % in 2006.

The Municipality had a total GDP of R 4 billion and in terms of total contribution towards Joe Gqabi District Municipality ranked second (IHS Markit 2020).

In 2020, the sector which has performed the best at 1.9 billion is that of Community services which reflects the makeup of the economy where Community Services , essentially government is the major employer and procurer. The next sector is that of trade and then finance. The lowest contributor is mining In 2020, the unemployment rate in Senqu Local Municipality (based on the official definition of unemployment) was 40.57%. The unemployment rate in Senqu Local Municipality is higher than that of Joe Gqabi (IHS Markit, 2020).

In 2020, the poverty gap rate was 32.1% which increased from 2010 poverty gap rate of 31.8% (IHS Markit 2020).

There is a low skill level even though 92,5 % have some level of schooling but the percentage with educational qualifications higher than G 12 is only 5.9% in 2020.

* Stats obtained from latest IDP figures (review 2022-2027).

Comparative and Competitive Advantages

Competitive: Large producer of wool – In 2016/17 The Senqu region produced 10,08 % of the Eastern Capes wool clip of 8,517,088 kg. This makes Senqu one of the larger producers of wool in the Eastern Cape. Its climate and topography make it well suited to expand this type of farming.

Senqu' s mountains give it spectacular scenery combined with the highest mountain pass in South Africa at Ben Macdhui. It is also renowned for its other 8 high mountain passes which are amongst the highest in the country.

There are many freshwater rivers and streams in Senqu which are home to a diverse range of trout. Trout fishing is a unique tourist attraction especially due to being able to fish in high mountain streams as opposed to dams. However, this is under threat due to new proposed environmental laws.

Bottling of fresh spring water which is amongst the purest in the country is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion. Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Tiffendell is already a venue for the SA Junior Ski championship as well as the SA ski championships. Utilisation of the resort is hampered by poor maintenance of roads leading to the resort. Strategic location and proximity to Lesotho provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho.

Utilisation of the historic railway line between Aliwal North and Barkly East passing through Lady Grey for alternative means of transport such as bicycles is a unique development option. Development plans around the Jozana Dam, especially around agricultural irrigation are a major opportunity.

Relatively well-maintained infrastructure such as tarred road network and electricity network. o Stable political leadership which enables long term planning to occur
Low levels of crime especially business break ins and robberies
Established annual festivals such as the Stoepsit fees and Passion Play
Major and unique adventure Races such as the Skyrun, War trail tri-challenge, Croc rock race and Rhodes Marathon Wildflowers. The area has a unique alpine floral kingdom

Basic Services and Infrastructure

The Municipality performs above District average in respect of access to all basic services but refuse removal. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy and sanitation.

The road network is extensive and all villages are accessible by roads. There are 2 major tarred roads which run through the Municipality and link the urban areas such as the R 58 and the R 392. They also provide linkage between the N6 and N2. Unfortunately, road maintenance is poor but the tarred network is being upgraded.

The bulk infrastructure of water and sanitation is sufficient in towns and has been upgraded so that it can provide for growth such as the 802 RDP houses built in Barkly East.

Technology

The Municipality is a pilot municipality for SALGA for the rollout of 5 G

Tourism

Scenic beauty, hiking and wildlife attractions and trout fishing. South Africa's only ski resort at Tiffendell. Tiffendell Ski Resort is the only ski resort in South Africa and is uniquely positioned to capture the local skiing market. Due to the shutdown of the tourism sector during lockdown, the ski resort was forced to shut down. The area has a well-developed road network that enters beautiful valleys and mountains. It is favoured by off road enthusiasts, trail runners and mountain bikers.

Agriculture

Agriculture is one of the major economic drivers of the local economy and is considered one of the New Growth path's job drivers. The total cultivated area of arable land is 47 319, 21 Ha, dry land under commercial Production has 18 178, 39 Ha; commercial irrigated Land of 3 866, 57 Ha, semi commercial (Commonages) has 25 274, 25 Ha (Information supplied by the Department of Agriculture). In general, however the area has limited land available that can sustain intensive agricultural practices. This is due to its highly erodible soils and unchecked poor veld management which has led to massive loss of topsoil and the growth of extensive dongas and gulleys.

The area is more suited towards stock farming than crop production due to its mountainous profile, short growing season and shallow erodible soils. However due to this fact and the changing climate newer crops are being investigated such as grapes. However, where soils are suitable, dryland crops such as beans, maize, sorghum and cabbage can be produced. Fodder is also grown for winter feed and Lucerne is grown under irrigation on many commercial farms. Stocking rates tend to be low due to the mountainous area but sheep, cattle and goats are in the majority.

In general, agricultural infrastructure has been installed in the former homeland and communal region but farmers still express needs in particular for fencing, tractors, stock dams, shearing sheds and dip for the dipping tanks. There is the following infrastructure available:

- 15 Dipping tanks in various states of disrepair requiring water and dip
- 33 shearing sheds
- 2 red meat facilities
- 1 poultry abattoir (Sterkspruit)
- 11 stock dams
- 2 tunnel facilities
- (Source: Municipal Ward survey 2022)

The most common complaint is for roads to be fixed in all commercial and communal areas and especially to the lands. The former homeland is also being invaded by plants which reduce grass from growing and affect animal health like the jointed cactus and Slangbos. DRDAR will be starting programmes to eradicate the cactus and DEDEA have funded projects to eradicate Slangbos but more needs to be done as it is spreading throughout the district. Stock theft remains a constant threat to both commercial and non-commercial farmers. A positive note is the growth of farming co-operatives building relationships with commercial farmers to utilise underutilised communal land such as the Tugela co-operative near

Skisazana. JOGEDA are also looking at the processing of peaches with a partnership agreement with the South African deciduous company and various communal farmers.

In 2010/11, 46 099 196 kilograms of greasy wool was produced in South Africa. Out of this the Eastern Cape produced 14 300 585 kilograms. In 2011/12, 44 807 741 kilograms were produced out of which the Eastern Cape produced 13 950 406 kilograms. Barkly East 876 812, Lady Grey 178, 107 and the Transkei 3,357,008 (Cape Wool production figures 2010-2012). This makes Senqu one of the largest producers of wool in the Eastern Cape. Its climate and topography make it well suited to expand this type of farming.

Bottling of fresh spring water is a potential niche. Senqu has pure, clear water that is already being bottled on a small scale. Potential may exist for further expansion.

Strategic location and proximity to Lesotho provides development opportunities near the Telle Bridge border post as well as for the revitalisation and upgrade of Sterkspruit. These provide major tourism development opportunities for both Senqu and Lesotho. The proximity of the area to Lesotho, the Free State allows it to tap into these potential markets as well as being only 60 km from the N6 route from East London to Johannesburg allows it to ship goods relatively easier.

Comparative advantage

- Growing of lucerne and maize production utilising the Orange River for irrigation
- Good quality sand for brickmaking and building. The appropriate environmental concerns must be addressed to protect these precious community resources from exploitation.
- Good quality sandstone for mining. DRE need to assist communities obtain the relevant mining permits.
- Good road linkages to the N6 give easy access to markets in the Free State, Eastern Cape, and Gauteng.
- Skilled crafters produce a range of cultural and other hand made goods like leather bags etc.
- Huge tracts of underutilised land for crop production. However, measures to reduce erosion and overgrazing must be applied

Basic Services and Infrastructure

The local municipality performs above District average in respect of access to all basic services excluding refuse removal. The majority of Senqu households enjoy access to the RDP minimum levels of basic services in respect of housing, energy, and sanitation. In Senqu's favour is the considerable allocation of the local government equitable share.

LED Support System

The Senqu Municipality has a dedicated LED Unit located within its planning department. This Unit is responsible for coordination and facilitation of LED processes in Senqu as well being required to advise Council regarding LED matters.

Senqu Municipality is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the four local municipalities in Joe Gqabi. Regarding Senqu, the Agency has prioritised commercial

property development and plastic manufacturing as its immediate flagship projects.

Senqu local economy generates around one quarter (25.7%) of total District GVA. This is the second largest contribution after Elundini (39.0%).

From 2000 to 2010, the local economy has grown at an average rate of 3.0% per annum (pa). The District and provincial economies have averaged 5.6% pa and 3.2% pa, respectively, over the same period: and

Total formal employment within the District sees Senqu Municipality making a relatively higher contribution of 27.9% (i.e. ranking second to Elundini at 36.7%).

Comparative advantage

LED Support System

The Senqu Municipality has a dedicated LED Unit located within its planning department. The Unit is responsible for coordination and facilitation of LED processes in Senqu as well as advise Council on LED matters. The LED Unit is fully staffed.

Senqu is one of the key partners of the Joe Gqabi Economic Development Agency (JoGEDA) which is tasked to drive special economic development projects on behalf of the district municipality and the three local municipalities in Joe Gqabi. With respect to Senqu, the Agency has prioritised commercial property development and plastic manufacturing as its immediate flagship projects. Its other partners are the local tourism organization (Senqu Tourism Association) and the Small Enterprise Development Agency (SEDA) which provides support services to tourism enterprises and other small businesses in the area. Other partners include the JGDM, ECDC, DLGTA, DEDEA and the Department of Agriculture.

EPWP, CWP & Enterprise development

EPWP & CWP programmes are operated very effectively in the Municipality. Enterprise development is however struggling as SMME's and Co-operatives struggle to become financially viable. The Municipality continues however to support these initiatives through its percentages in its supply chain management policy.

Economic Growth, Structure and Sectors

The tertiary sector contributes the greatest share of GVA (82.3%) and formal employment (68.8%) to the Senqu local economy. The Senqu economy claims a comparative advantage in the primary sector, with a location quotient (LQ) of 1.18, where both Agriculture (LQ: 1.15) and particularly Mining (LQ: 2.16) are claimed as advantages. A comparative advantage is also enjoyed in the tertiary sector, with a modest location quotient of 1.03, which is principally due to the relative strength of the Community (LQ: 1.20) and General Government (LQ: 1.23) Services.

No comparative advantage exists in the secondary (LQ: 0.80) sector, although several manufacturing sub-sectors are claimed as advantages (i.e., the radio and instrumentation (LQ: 3.88);

Community services and General government (Services) account for the bulk (39.8%) of local GVA and for 37.4% of all local formal employment. The dominance of services contributes to the concentration of

the local economy (Tress Index: 63.48). Given that diversification is essential for a robust and resilient economy, the promotion of economic development across a range of sectors, away from the current concentration on Services, will mitigate against negative seasonal or sectoral impacts.

Finance, like Services, is not strictly a driving sector in that no new productive value is generated, although both can play significant roles, as services, in facilitating (or limiting) an enabling environment conducive to local economic development. Beyond these dominant service-related sectors, potential local economic drivers emerge as mining and quarrying together with the Manufacturing sub-sectors of Electrical machinery and Transport equipment. The latter industries emerge as leading (GPI >100) comparative advantages (LQ >1; positive shift in share) and further claim higher than average growth rates, with the notable exception of Mining (-1.9%pa). Agriculture, while being claimed as a comparative advantage (LQ: 1.15), emerges as a lagging sector (GPI: 95.11) and reflects negative growth (-3.2%pa) as well as relative loss in share (-1.5%) of the District economy. However, agriculture's contribution to formal employment in Senqu (36.3%) and in the JGDM (36.6%) and contrasted with 19.3% provincially, represents more than one third of local formal employment. Senqu is characterised by a strong presence of subsistence agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit, with related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009).

Tourism

Senqu hosts Tiffindell, the only ski resort in Africa. Unfortunately, this has now closed due to operational cost issues.

It also contains many of the highest mountain passes in South Africa; and In addition, many rare plant and bird species are found in the area.

Agriculture

Senqu is one of the biggest producers of greasy wool in South Africa and this production is increasing. Economic Growth, Structure and Sectors

From 2010 to 2020, the finance sector had the highest average annual growth rate in Senqu at 2.18%. "The second highest average annual growth rate is the community services sector averaging at 1.25% per year. The construction sector had an average annual growth rate of -1.13%, while the electricity sector had the lowest average annual growth of -2.69%. Overall ,a negative growth existed for all the industries in 2020 with an annual growth rate of -5.39% since 2019 (IHS Markit,2020) .

The agriculture sector experienced the highest positive growth in 2017 with an average growth rate of 21.1%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period (IHS Markit, 2020). Senqu is characterised by a strong presence of subsistence agriculture, which does not contribute directly to the formal economy but does enhance local food security and survivalist economics at household level, and further presents opportunities for skills development and growth in small-scale agricultural development. Limitations to commercial agricultural development, beyond the predominance of subsistence agriculture, lie in the limited extent of arable land in Senqu – one of the most degraded areas in South Africa – although intensive production of selected fruit, with

related processing and packaging opportunities, as well as marginal production of dry beans and grain sorghum, have been identified for Senqu Municipality. (JGDM 2010; UKDM 2009).

The best performing sector between 2010 and 2020 was the manufacturing sector with a growth rate of 4.9% in 2010. The construction sector reached its highest growth in 2013 at 6.0%. The electricity sector experienced the highest growth in 2012 at 3.0%, while it recorded the lowest growth of -7.2% in 2016 (IHS Markit 2020).

The Finance sector has declined in prominence from 2006 to 2016 and experienced the highest growth rate in 2012 when it grew by 5.8% which can be seen by the decline in the number of banks in the towns. The trade sector experienced the highest positive growth in 2012 with a growth rate of 6.1% but also the lowest growth rate in 2020 at -8.9%. The community services sector experienced its highest positive growth in 2011 with 4.7% and the lowest growth rate in 2020 with -0.7% (IHS Markit, 2020).

The transport sector is expected to grow fastest at an average of 3.63% annually from R 142 million in Senqu Local Municipality to R 170 million in 2025. The community services sector is estimated to be the largest sector within the Senqu Local Municipality in 2025, with a total share of 49.1% of the total GVA (as measured in current prices), growing at an average annual rate of 1.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -0.38%. (IHS Markit, 2020).

Challenges

Local Economic Development or LED is one of the mandates of local government, which is directly derived from the Constitution, Act 108 of 1996 S 152 and is required to promote social and economic development. Senqu Municipality's LED Strategy and Responsible Tourism Plan was adopted in July 2022.

LED is one of the more difficult mandates of local government as it is holistic and involves all municipal departments and includes all spheres of government as well as the private sphere. The role of local government is therefore to provide an environment which is conducive to the development of the economy. It does this by ensuring that the necessary infrastructure is in place and maintained for the economy to grow and thrive.

Due to historical factors the infrastructure which is needed to drive the economy is in a bad state of repair and the current and future budget projections do not allow for the infrastructure to reach a standard which will promote economic development. The Municipality consists of small towns which do not have any industrial output and only offer services and sell goods procured and made elsewhere. The road network is inadequate with poor linkages, poor signage and predominantly gravel. The existing main rural roads have reached the end of their lifespan and require rebuilding. However, only a maintenance budget is available, and this has been likened to "trying to stem blood flow from a main artery with a piece of paper". The cellular network is patchy and fast internet connections are desired by most residents.

Whilst water and sanitation networks have improved in the past years, the service is inadequate and irregular with the result that many areas suffer from droughts. More water storage facilities must be built as well as increasing the education of water wise consumers. Agricultural facilities for stock have increased in the communal areas with many shearing sheds being built which has increased agricultural production. However, the lack of maintenance and vandalism of dipping and fencing together with poor

veld management on highly erodible soils has led to overgrazed lands with huge dongas and increased loss of topsoil.

The lack of land for development in urban areas has led to an expansion of former rural villages to the town boundaries. This can be seen in Sterkspruit and Hershel where the former town now has an urban fringe of villages under a communal land tenure system. This has an impact on service delivery as current systems do not accommodate homeowners without formal title deeds.

Land invasions due to lack of finance for acquiring land and lack of land for sale continues to be a problem in the former RSA towns of Barkly East, Lady Grey, Rossouw and Rhodes.

Intergovernmental Platforms

The LED Unit is focused on achieving LED through creating partnerships. It therefore focuses on engaging with the public and private sector to create institutions whereby engagement can take place such as LTO's and Economic Development Forums.

However due to the review and development of an LED Strategy, SMME Strategy and Responsible Tourism Plan, forum meetings were not held except in the first quarter where the development plan for the above was discussed. Instead, meetings were held with various stakeholders to gain their inputs into the plan.

However due to the implementation of the new plan, stakeholders had to be mobilised and as a result 2 LED Forum workshops were held in May 2023 and 1 CTO was held in March 2023.

Name of Forum	Times met	Dates
Local Tourism Organization Meetings	1	March 2023
Economic Development Forum (EDF)	1	24-25 May 2023

Promotion of Tourism

Tourism is a growing industry and provides a growth opportunity for the local economy. As such it is one of the important drivers of the LED Strategy. The LED Unit therefore supports the local tourism industry by providing support to Community Tourism Organisations (CTO's).

It is accepted that more efficient co-ordination, communication, planning and use of limited resources is required to ensure that tourism specific events and awareness campaigns occur in a more targeted and strategic manner.

This was done by organising a Women in Tourism workshop in Barkly East and hosting a Tourism day in Qhemegha with JGDM

- A Museum policy day was also held in Rhodes
- A grant was given to the RTIC in Rhodes
- Brochures were printed
- Sites were mapped and put into a new brochure for the Eastern Cape Highlands with assistance from the World Wildlife Fund.
- Tourism reports were developed on Visitor information sites.
- An Eastern Cape Highlands brand and marketing strategy was developed.

- A concept for the festival was developed
- The LED training plan and implementation plan was developed.
- Support to SMME's
- Introduction

The LED Strategy, responsible tourism plan and SMME strategy were adopted by Council in July 2022. All of these strategies were incorporated into the LED Strategy and an implementation plan developed for the year.

Training

- A LED Training plan was developed and the following training was undertaken:
- 2 x Social media training where 25 SMME's in tourism were trained hosted by ECPTA
- Co-operative training in conjunction with DEDEA where 32 co-operatives were trained
- 2 X NYDA Business training where 60 SMME's were trained
- OHS training where 30 SMME's were trained
- Bank Seta Training in conjunction with SALGA where over 60 SMME's were trained

Awareness campaigns

Awareness campaigns where SMME's and emerging entrepreneurs attended to receive information on business compliance, registering businesses, procurement, funding opportunities and tendering. 4 day compliance roadshows held in Phelendaba amongst other from 14 to 17 November 2022. 269 people attended.

- SMME awareness in Ward 11 with DEDEA
- Women in business breakfast with ECDC
- Women in Tourism
- NYDA youth day on the 13th June
- 51 people attended an Agricultural day on access to market and tendering in Sterkspruit
- Tourism day in Qhemegha with JGDM
- Festivals
- Senqu Municipality hosted 2 main festivals in the 2022 – 2023 FY. It was the arts and crafts festival in December 2022 where 10 craft SMME's displayed their wares and 4 artists performed. A youth symposium was held in June 2023 whereby youth SMME's were given presentations on funding and business opportunities. 291 people attended.
- Document development

The SMME database was updated twice and cross referenced with the finance database. A proposal was made and accepted for an SMME expenditure target of 30 % of all operational expenditure going to SMME's. A redtape reduction strategy was developed

LOCAL ECONOMIC DEVELOPMENT 2022/2023

KPA & INDICATOR	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2020/2021	2021/2022	2022/2023
Report on number of jobs created through local economic development initiatives LED (CWP) including EPWP - capital projects	An average of 194 jobs were created during 2020/2021 financial year.	.An average of 303 jobs were created during 2021/2022 financial year.	An average of 290 jobs were created during the 2022/2023 financial year

The Expanded Public Works Programme (EPWP)

- The EPWP policy was reviewed in January 2016 and went to Council for adoption. A new framework for EPWP and Interns was adopted in the 2018/2019 financial year.
- The currently approved policy outlines the institutional arrangements for implementing EPWP, roles and responsibilities, the employment opportunities, training and EPWP target, conditions of employment, target groups and reporting processes. The Director of Technical Services is responsible for implementing EPWP, but co-ordination thereof will be completed by the EPWP Steering Committee.
- The EPWP programme exists to:
- Create job opportunities by reviewing the manner in which municipalities implement existing projects/programmes.
- To identify and propose programmes that will contribute towards additional job creation opportunities; and
- To ensure that the proposed job creation programmes form part of the service delivery mandates of the municipality.
- These principles have been incorporated into the municipality's efforts to increase employment opportunities for its residents. Projects have included: basic road maintenance, paving of streets, picking up refuse, pothole repair and stormwater channel maintenance.
- To date, the Expanded Public Works Programme (EPWP), funded by the Department of Public Works, is considered to have been successfully implemented. Management and politicians review the program annually in order to ensure that sustainable work opportunities are created and that graduates from the programme acquire the necessary skills in order to increase their employment opportunities. From its inception, internal and MIG infrastructure projects have also been registered with the EPWP and have resulted in the opportunity to provide many job opportunities and to obtain benefits from the Labour Rebate Program of the EPWP. An average of 194 jobs were created during the 2021/2022 period.

Table: EPWP project costs and results for the 2022/2023 period as reported on the EPWPRS

LOCATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Mass Job Creation	154	154	154	154	154	154	154	154	154	154	154	154	1848	154
Transwiler Bridge	0	0	0	0	0	0	0	0	12	12	12	12	48	12
Construction of Change rooms - Lady Grey	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tienbank Property Access Construction	0	0	0	0	0	0	0	0	8	8	8	0	24	8
LOCATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Construction of Gravel Road with Stormwater control Ward 2 (7.01 km)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction of Change rooms - Barkly East	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Renovations (Barkly East Town Hall)	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Renovations (Barkly East Town Hall)	0	0	8	10	11	11	11	0	0	0	0	0	51	10.2
LOCATION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	MONTHLY AVERAGE
Construction of New Cemetery in Barkly East	17	17	17	17	11	11	11	0	0	15	15	15	146	12.17
Masekeleng Cemetery Fencing	0	0	0	0	0	0	0	0	8	8	8	8	32	8
Senqu Cemeteries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Sterkspruit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Solid Waste Site - Herschel	14	14	14	14	14	14	14	18	18	18	18	18	188	15.67
Solid Waste Site - Rossouw	5	5	5	5	5	0	0	0	8	12	12	12	69	5.75
Solid Waste Site - Rhodes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Upgrading of Existing Solid Waste Site in Lady Grey	0	0	0	0	0	0	0	0	0	9	9	9	27	9

The table below details the EPWP project costs and provides results for the 2022/2023 period as reported on the Expanded Works Programme Reporting System (EPWPRS)

EPWP PROJECTS (2022/2023 Financial Year)	BUDGET	NO. OF JOBS	Male	Female	Youth
Mass Job Creation	2 566 000	1689	591	1098	1267
Upgrading of Municipal Office in Lady Grey Ward 14	R 9 828 354	1764	579	1283	1101
Construction of Gravel Road with Stormwater control Ward 2 (7.01 km)	796 419.30	32	20	12	22
TOTAL	13 190 773.30	3644	1239	2503	2601

Support Social Investment Programme

The Sustainable Developmental Community/Social Development Programme (SIP) is a project that is intended to move beyond project-based community economic development. The emphasis is on “empowerment” and innovative methodologies are utilized to systematically build community competence and capacity. Under these circumstances, Senqu is required to present its plan to create the conditions required for the second economy through community-based organisations and informal business associations. Information required includes: the number of cooperatives, small business associations and women/youth associations, develop and maintain unemployment data base.

Expanded Public Works Programme/s (EPWP)

Annual Performance as Per Key Performance Indicators in LED 2022/2023

INDICATOR NAME	TARGET SET FOR THE YEAR	ACHIEVEMENT LEVEL DURING THE YEAR (ABSOLUTE FIGURE)	ACHIEVEMENT PERCENTAGE DURING THE YEAR
Implementation of the LED Strategy	4 Quarterly Reports on Implementation of the LED Strategy	4	100
Development of LED Plan by June 2022)	1 LED plan sent to Director	1	100
Number of job opportunities created through the LED initiatives including capital projects (Technical Services)	1 Annual Report	1 Annual Report	100
% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through sub-contracting (Technical Services)	1 Annual Report	1 Annual Report	100

Comment on EPWP Performance Overall

EPWP targets were exceptionally well achieved during this period. More specifically: An average of 290 people were engaged in EPWP and MIG projects.

Despite this it is noted that job creation beneficiaries leave the programme for more permanent employment /better employment offers. As a matter of great urgency there exists a need to investigate the main streaming of dis-abled persons and the incorporation of these into these programmes where at all possible. This is difficult as most jobs available rely on able bodied persons to fulfil the tasks.

Challenges regarding LED strategy implementation

Challenges within the LED function continue and may be attributed to funding constraints and limited staff capacity in order to deal with the challenges. Taking these issues into account the following remedial action is proposed:

- Implementation of the SMME strategy to improve the rating of local contractors CIDB ratings as well as providing training, compliance assistance and financial assistance with cash flow.
- The Local Municipalities lack of annual growth has resulted in unprecedented high unemployment rates. This places Senqu Municipality in an unenviable position in which they have a high dependence on government grants. This issue, coupled with access to basic household and community services which is below optimal levels, creates tension amongst communities who compete for relatively scarce resources. Under these circumstances it is critical that the municipality creates appropriate conditions for job creation and participation in agricultural activities by availing land for development.
- It is noted that businesses are not growing as SMME's as they do not receive strategic support from government institutions. Areas for great concern are centred around food, security and land reform.
- It is noted that the tourism sector is underdeveloped and needs strategic intervention to revive and contribute to the local economy meaningfully. In this regard, a responsible tourism sector plan must be developed which could provide direction to optimise the potential that exist in the area.
- Agriculture remains central to the development of the area. However, it must be managed and grown in a coordinated fashion.
- Land administration and town planning remain as areas requiring focus.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The main function of this directorate is the maintenance of municipal infrastructure as well as to ensure effective service delivery. The department is responsible for rendering services within the following areas: cemeteries; crematoriums; community facilities (including sporting facilities, community halls); waste management; libraries; parks & amenities; commonage management; public safety; childcare facilities and the planning, coordination and implementation of the Community Services Departments' capital and expenditure budget.

LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, OTHER

Introduction to Libraries

Senqu Municipality currently has 5 libraries and 2 modular libraries that can service the community. Areas of operation include Lady Grey, Barkly East, Sterkspruit, satellite libraries in Rhodes and Rossouw and 2 modular libraries in Herschel and Hillside Village.

The library service offers a wide variety of services within the following areas: lending; referencing; study; photocopying and wi-fi facilities. Books are provided for research and lending in a vast number of areas and disciplines that include fiction and non-fiction.

The libraries have a wide of resources including books, newspapers, periodicals, during the financial year libraries maintenance plan was implemented.

It must be noted that libraries are a provincial competency and are run on an agency basis by Senqu Municipality. The municipality is there for dependent on an annual subsidy received from the DSRAC Government Grant to provide this function. A service level agreement that sets out the terms and conditions of this arrangement is signed between DSRAC and was signed by the Municipality for 2021/2022 although DSRAC delayed signing the SLA which in turn delayed the transferring of funds.

This situation unfortunately initially impacted negatively on library services provision.

The Department of Sports, Arts and Culture is in the process of transferring the Sterkspruit Library to the Municipality in accordance with PFMA section 42 asset transfer process.

Overall Comment on Library Service Performance

Inadequate funding continues to be experienced as a challenge as the grant from DSRAC does not cover all library expenditure.

Quarterly reports on the implementation of the SLA were compiled and sent to DSRAC.

Library promotion events were held during the financial year.

The mini libraries for the blind continue to operate within Barkly East and Sterkspruit effectively.

The provision of information to the community occurs in different ways. Learners and students are firstly helped with information out of books, newspapers magazines, pamphlets and the Internet to do their assignments and for research.

It must be noted that the modular library in Herschel has been vandalised and it is currently not operational.

Library Services Statistics

LIBRARY	NUMBER OF FACILITIES	USERS	CIRCULATION OF BOOKS
Rhodes	1	104	656
Rossouw	1	74	546
Barkly East	1	345	1452
Lady Grey	1	184	1142
Sterkspruit	1	230	3895

Library Services Employee

EMPLOYEES: LIBRARIES					
Job Level	Year 2020/2021	Year 2022/2023			
	Employees	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	
0-3					
4-6	3				
7-9	1	3	3	0	0
10-12	1	2	2	0	0
13-15					
16-18					
19-25					
Total	5	5	5	0	0

Financial Performance: Library Services

FINANCIAL PERFORMANCE YEAR 2022/2023: LIBRARIES R'000					
Details	Year 2021/2022	Year 2022/2023			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	1 505	1 505	1 510	1 507	(3)
Expenditure					
Employees	3 196	2 235	2 238	3 481	(1 243)
Repairs and Maintenance	28	5	15	0	(15)
Other	131	305	307	255	(52)
Total Operational Expenditure	3 355	2 545	2 560	3 736	(1 194)
Net Operational Expenditure	(1 850)	(1 040)	(1 050)	(2 229)	1 197

CEMETERIES

Introduction to Cemeteries

This unit is responsible for the management, maintenance and development of Cemeteries and Crematoria. Responsibility lies in the provision and maintenance of cemeteries in terms of functions that include grave digging, exhumations, burial related administration (reservation of graves, record keeping and the like). There are municipal cemeteries within the urban areas of Senqu Municipality. The Municipality strives to provide safe and accessible cemeteries to all residents. This is done by implementing the cemetery by-laws and maintaining all cemeteries to an acceptable standard. The

Municipality is responsible for managing all cemeteries. The Municipality also provides an administration and booking function for burial sites. This includes the including pauper and indigent burials. Burial Plots were provided as per request and pauper and indigent burials were also conducted.

- Service Statistics for Cemeteries & Crematoriums
- Closed Cemeteries:
- Khwezi Naledi Cemetery
- Two cemeteries in Barkly East
- Operating Cemeteries:
- Rhodes: two cemeteries
- Rossouw Cemetery
- Lady Grey: three cemeteries
- Barkly East: 1 cemetery
- Rural cemeteries in Sterkspruit.

2022/2023 Cemetery Performance Overall:

- In the 2022/2023 financial year there were 197 normal burials that took place in the municipal cemeteries and the municipality assisted with destitute burials.
- The development of a new cemetery in Lady Grey, is also not yet completed due to the tedious land issues and environmental authorization processes that must be followed.
- Barkly East new cemetery was completed and operational during the financial year.
- 9 cemeteries were maintained during the financial year: Steve Tshwete, Khwezi Naledi, Nkululeko old cemetery, Zola, Rhodes-Zakhele, Barkly East Town, Lady Grey Town, Sterkspruit Town Cemetery.
- Rural cemeteries were maintained during the financial year.
- The Municipality also provides an administration and booking function for burial sites.
- The operational maintenance of the cemeteries is done mainly in-house such as the cutting of grass.
- Masekeleng cemetery was fenced and it is operational.
- The Municipality succeeded in providing well maintained cemeteries to the urban areas in the municipal area.

Nature and Extent of Facilities Provided: Cemeteries (Urban)

LOCATION	2021/2022	2022/2023
Barkly East	2 operational facilities	2 operational facilities
Lady Grey	3 operational facilities	3 operational facilities
Sterkspruit (Urban)	1 closed facility and Rural cemeteries that are operational	1 facility and Rural cemeteries that are operational
Rhodes	2 operational facilities	2 operational facilities
Rossouw	1 Facility operational	1 Facility operational

Financial Performance

FINANCIAL PERFORMANCE YEAR 2022/2023: CEMETERIES AND CREMATORIUMS					
R'000					
Details	Year 2021/2022	Year 2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26	46	16	21	5
Expenditure					
Employees	118	50	52	133	81
Repairs and Maintenance	674	930	910	149	(761)
Other	792	696	691	1 427	736
Total Operational Expenditure	1 584	1 676	1 652	1 709	56
Net Operational Expenditure	(1 558)	(1 630)	(1 636)	(1 688)	(51)

Capital Expenditure

CAPITAL EXPENDITURE YEAR 2022/2023 CEMETERIES R'00					
Capital Projects	Year 2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	6 558	7 230	4 815	3 748	
LG & Herchel Cemetry Layout	300	300	0	0	
Fencing of existing cemeteries at Joveleni, Hinana and Voyizana	806	306	0	0	
Construction of New Cemetery in Barkly East	5 452	6 624	4 815	3 748	

CHILDCARE, AGED CARE AND SOCIAL PROGRAMMES

Introduction to Childcare, Aged Care and Social Programmes

Special Programmes have been undertaken by the Special Programmes Unit to provide assistance to those in need/those who have been disadvantaged in some way and in this manner to ensure a better quality of life for all. To this end it must be noted that:

Local authorities have a legal mandate in terms of the Constitution (Schedule 4B) regarding their duty to provide facilities for early childhood development, but other imperatives can be gleaned from their responsibility towards promoting social and economic development. In terms of childcare, it is required that the municipality:

- Inspect the facilities utilized to ensure that they meet the minimum requirements – in this manner ensuring the child's safety by the actions of the District Municipality.
- Environmental Health Practitioners are required to inspect identified facilities and to report on their status and whether any interventions are necessary; and
- The Environmental Health Practitioners are required to assist with the monitoring of the quality of early childhood development, facilities, services, and programmes rendered within those facilities.
- Implementation of the SPU Implementation Plan and Projects: projects such as World Aids Day and "16 days of activism against child and woman abuse" are required to be organised.

- Efforts are required to be made to facilitate the upliftment of children, youth, women, people with disabilities and the like; and
- Implementation of the HIV/Aids strategy and plan. Programmes and related interventions are required to be mainstreamed through effective planning and successful execution.
- The 2022/2023 period is reflected on as follows:
- Targets for planned initiatives in respect of mainstreaming and special projects were not well achieved. Many planned events could not be held as planned.

COMPONENT E: ENVIRONMENTAL PROTECTION BIODIVERSITY AND LANDSCAPE (INCLUDING PUBLIC OPEN SPACES) AND OTHER

Introduction Bio-Diversity and Landscape

Biodiversity and Landscape is an area of service delivery involving the management, maintenance and development of parks, open spaces and the beautification of municipal areas. In order to be able to achieve this, horticultural practices undertaken include landscaping and beautifying town entrances, the maintenance of sidewalks and grass cutting.

Parks and Public Open Spaces

Central to this important function is to ensure that parks and public open spaces are effectively maintained, so that the environment created for the community and visitors thereof maybe appreciated, pleasant and aesthetically appealing.

- This function has been well-achieved overall. More specifically it must be noted that:
- The 2 Parks in Lady Grey were well maintained in accordance with the maintenance plan.
- The parks are maintained on a regular basis.
- On-going maintenance occurs and involves grass cutting/mowing, grading/ploughing and cleaning).
- Trees and other plants were planted in the sidewalks and municipal facilities in Lady Grey, Barkly East, Sterkspruit, Rhodes, Rossouw.
- 29 public open spaces were maintained in accordance with the plan.

COMPONENT F: HEALTH

Health Inspection

Introduction to Licensing and Regulation Control

It is the intention of this function to improve the economic development within the community in respect of both formal and informal businesses. It is also the intention to regulate the trading activities of the licence holders.

Strategic Objectives:

Promoting the development of strategic sites within the municipality by marketing these to the developers. Formulating an informal trading policy and using this to promote trading facilities as required; and Issuing of licenses and controlling of trading within the municipality.

2022/2023 Licensing and Regulation Performance Overall

Business and Street Trading was monitored during the financial year that Business licenses were issued

to complying premises.

Hawkers are encouraged to operate legitimately with assistance provision at every opportunity.

During the current year Hawker's licenses were renewed, and business licenses were issued to the compliant premises.

Business and Street Trading was monitored during the financial year Business licenses were issued.

Income was generated through issuing of business licenses, and annual renewal of Hawkerc licenses.

Workshops and information sharing were conducted with street traders.

During the financial year liquor outlets were visited to ensure compliance with the regulations

Awareness and campaigns were held for business focusing more on municipal by-laws.

Operations were held in partnership with the Environmental Health Practitioners to evaluate business premises in order to ensure compliance in Sterkspruit, Barkly East and Lady Grey.

Complaints of non-compliance in spaza shops were also conducted in partnership with the Joe Gqabi.

COMPONENT G: SECURITY AND SAFETY

DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES

- Introduction to Disaster Management, Animal Licensing and Control, Control of Public Nuisances
- This function focuses on Disaster Management, Commonage Management and Pounds and Control of Public Nuisances.
- Disaster Management
- The municipality does not have its own functional Disaster Management Unit. Disaster Management is the responsibility of the Joe Gqabi District Municipality. The Director Community Services attends Disaster Management meetings in an advisory capacity and liaises with the district on issues of common interest.

Introduction to Commonage Management and Pounds

Commonage land is required to be exclusively used for agricultural activities as described within the Commonage Management Plan. A Commonage Management Plan highlights the issues that must be looked at and managed on a day-to-day basis. This involved the management of commonage including resting and rotation of camps; maintenance of fences and water; development of permanent pastures; water provision in camps and erosion control.

During the 2022/2023 period, it was ensured that:

- Stock registers were updated as required on a quarterly basis and reported to the standing committee.
- Awareness's and information sharing sessions were held with the farmers and commonage users.
-
- Vaccinations were also conducted on the animals in the commonage.
- Animals are impounded although there is still a challenge of non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.
- Income was generated through impounding of animals.
- Commonage management committees were renewed especially in Barkly East, these committees are meant to assist the municipality in management and control of commonages.
- Challenges
- Limited budget to maintain commonage and boundary fences
- non-availability of transport to impound animals from other areas like Sterkspruit and Barkly East.

non-implementation of commonage management plan.

Vandalism and theft of Fences that are being repaired in the commonage by the Municipality. This creates a situation where animals are not controlled in terms of grazing and rotational grazing system.

Impounding of Animals

- It is to be noted that the overall objective is to ensure that stray animals are removed from the roads and streets and are impounded.
- The Lady Grey Pound was established, it is fully operational and maintained accordingly.
- Income was derived from the selling in auction of unidentified impounded animals.

Income for the pound's function is reflected as follows:

FINANCIAL PERFORMANCE YEAR 2022/2023: DISASTER MANAGEMENT, BY LAW IMPLEMENTATION (ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES) R'000					
Details	Year 2021/2022	Year 2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42	74	74	59	(15)
Expenditure					
Employees	36	63	65	36	(29)
Repairs Maintenance	198	238	238	81	(157)
Other	84	121	126	86	(40)
Total Operational Expenditure	318	1 186	530	203	(327)
Net Operational Expenditure	(276)	(1 094)	(460)	(144)	(312)

Capital Expenditure

CAPITAL EXPENDITURE YEAR 2022/2023 POUNDS R'000					
Capital Projects	Year 2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All					
Pound Project Lady Grey	0	400	0	0	0

COMPONENT H: SPORTS AND RECREATION (INCLUDES COMMUNITY HALLS, SPORTS FIELDS, SPORTS HALLS, STADIUMS, SWIMMING POOLS AND CAMP SITES)

INTRODUCTION TO SPORT AND RECREATION

Manage maintenance and development of all municipal sports facilities the promotion and development of sports and recreation. Maintenance plan of sports facilities were approved. The municipality is required to provide basic sport and recreation facilities within its area of jurisdiction. 5 Sports fields were maintained in terms of the approved maintenance plan. The nature and extent of facilities provided is reflected in the table that follows:

LOCATION	FACILITIES
Barkly East	1 x Multipurpose field in Nkululeko Township 1 x Soccer field
Lady Grey	1 x Multipurpose field in Steve Tshwete Township 2 x soccer fields 1 x Golf Course run by the Golf Club on a lease agreement
Sterkspruit	1 x multipurpose field in Patrick Shibane Playgrounds in the rural areas
Rhodes	1 x soccer field 1 x tennis court

2021/2022 Sport and Recreation Performance Overall:

- All sports fields in the urban areas were maintained in terms of the approved maintenance plan and reported to the standing committee.
- The maintenance programme was implemented as planned, which includes general maintenance.
- The geographic spread of sport facilities within the Senqu Municipality indicates that most urban areas have access to the sport facilities.
- Annual Maintenance plan of Sport fields was implemented during the current year, 5 sports fields were maintained with the available budget.
- Targets in SDBIP were met for the maintenance of the sports fields.
- In terms of success, it must be noted that notwithstanding challenges, the required maintenance was carried out. It is acknowledged that greater efforts are to be made in respect of the planning phase to ensure that rural sports grounds are maintained.
- Challenges
- Vandalism and theft are now reaching critical levels. Furthermore, there is an urgent need for the development of new and additional sporting facilities in the Senqu Municipal area.
- Upgrading of security measures and education through Sport Councils and ward committees is being undertaken to address the issues of vandalism and usage of the sport facilities.

Financial Performance

FINANCIAL PERFORMANCE YEAR 2022/2023: SPORT AND RECREATION					
Details	R'000				
	Year 2021/ 2022	Year 2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 793	2	2	1 050	1 048
Expenditure					
Employees	729	668	670	776	106
Repairs and Maintenance	280	458	458	198	(260)
Other	587	844	588	454	(502)
Total Operational Expenditure	1 596	1 970	1 716	1 428	(288)
Net Operational Expenditure	197	6 835	1 714	(378)	(1 336)

Capital Expenditure sport and recreation

CAPITAL EXPENDITURE YEAR 2022/2023 SPORT AND RECREATION					
R '000					
Capital Projects	Year 2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Construction of Blue-Gums Sports field	2 500	357	310	(47)	
Total All	2 500	357	310	(47)	0

INDOOR RECREATIONAL COMMUNITY FACILITY (HALLS)

Introduction to Indoor Community Facilities (Halls)

The organization was required to manage maintenance and develop all municipal halls. Maintenance plans for the halls were developed. Senqu municipality manages 27 community halls within the five towns of the Municipality. The municipality is responsible to manage and maintain these halls within the available budget. It is also required that Senqu Municipality manages access control, handles the reservations, and ensures the execution of the municipality's policy on facilities. Halls are made available for public functions or private hire by our community members. Charges vary according to the function, time, and day of the week.

Service Statistics for Community Halls

The table below details the use and accessibility of community halls.

LOCATION	FACILITIES
Barkly East	2 x Facilities: Nkululeko Hall Barkly East Town Hall
Lady Grey	3 x Facilities: Khwezi Naledi Hall Lady Grey Town Hall Transwilger Hall
Sterkspruit (Urban)	1 x Facility: Bhunga Hall
Sterkspruit (rural areas)	18 x Facilities: Ndofera, Storumo, Makalakaleng, Makhumsha; Hillside Phelandaba, Mmusong, Majuba, Thaba-Lesoba, Ngquba, Tienbank, Blue Gums, Magadla, Esilindini (Kwa Ntoyi) Zava, Sunduza; Voyizana. Herschel community hall was burnt down during protest
Rossouw	1 x Facility: Rossouw Hall
Rhodes	1 x Facility: Rhodes Hall

2022/2023 Community Halls Performance Overall:

- There are 27 community halls (inclusive of rural areas) and it must be noted that there are facilities within the rural areas which require maintenance, although no revenue is generated.
- The renovation project for the Barkly East Town Hall the contract was appointed.
- Transwilger hall upgrade was also carried out during the financial year.
- Herschel Community was burnt down due to community protest. The upgrade of this hall could not be fulfilled due to budgetary constraints the hall is prioritised for the next financial year.
- Planned maintenance for the hall was carried out as planned in accordance with the approved maintenance plan.
- Cleaning occurred weekly for the halls in Towns where there is staff employed for cleaning.

Financial Performance community halls

FINANCIAL PERFORMANCE YEAR 2022/2023: COMMUNITY HALLS R'000					
Details	Year 2021/2022	Year 2022/2023			
	Actual	Original Budget	Adjustment Budget	2022/2023	
				Actual	Variance to Budget
Total Operational Revenue	43	705	124	38	(86)
Expenditure					
Employees	9 096	10 317	10 400	9 892	(508)
Repairs Maintenance	998	1 799	1 652	928	(724)
Other	2 424	2 335	2 480	2 327	(149)
Total Operational Expenditure	12 518	14 451	14 532	13 147	(1 385)
Net Operational Expenditure	12 475	(13 746)	(14 408)	(13 109)	(1 299)

Capital Projects Community Halls

CAPITAL EXPENDITURE YEAR 2022/2023 COMMUNITY HALLS					
R'000					
Capital Projects	Year 2022/2023				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Renovations (Barkly East Town Hall)	8 235	14 534	3 682	10 852	
Herschel Community Hall	893	3 900	1 562	2 338	

COMPONENT I: MISCELLANEOUS

ICT

A great deal of progress was made within this area. More specifically it is noted that the review of the IT Disaster recovery plan and IT Strategic Plan did occur, and no changes were initiated. The ICT Disaster Recovery Plan forms part of the ICT Governance Framework. Back – ups are completed in terms of this and back up registers are provided to validate this.

A great deal of progress was made within this area. More specifically it is noted that the review of the ICT Disaster recovery plan and ICT Strategic Plan did occur. The ICT Disaster Recovery Plan forms part of the Municipal Corporate ICT Governance Framework Policy. Back – ups are completed in terms of this and back up registers are provided to validate this.

ICT remains a challenge for the municipality as its infrastructure requires upgrading. There are constant downtime periods which frustrates the delivery of service by the municipality.

ICT remains a challenge for the municipality as its infrastructure requires upgrading and human capacity as the organogram is depleted and needs more staff addition as per new reviewed ICT Strategic Plan.

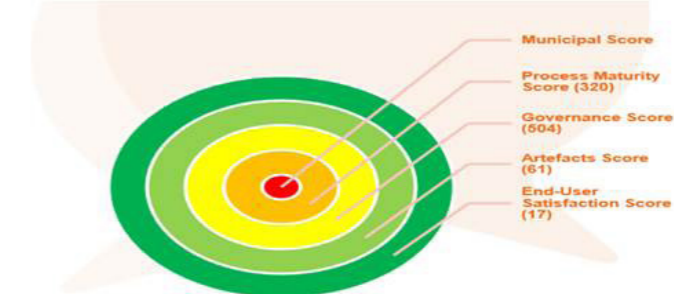
Although the municipality is experiencing challenges in this regard, it has improved tremendously especially since Covid 19 pandemic. The use of more sophisticated methods is slowly being introduced hopefully with time the municipality will be able to deliver services that are technologically up to date without compromising those who can't use technology.

However, it should be noted that Senqu Local Municipality was the best national achiever on Municipal ICT Capability Maturity Assessment and Process Improvement Model on the by 2020-2021 FY. And that trend resulted to SALGA to take resolution for the assessments to be done on annual basis for all provinces. Below is an abstract of the overall assessment outcomes.

The Municipal Baseline ICT Maturity Score



ICT Process maturity baseline score	2.42
ICT Governance baseline score	2.79
ICT Artefacts baseline score	3.59
End-User Satisfaction baseline score	3.94
Municipal Maturity Level	3.18



Subsequent to the above achievement of the Senqu Local Municipality ICT then the municipality ICT Manager was nominated to be part of Operation Vulindlela Task Team formed by Honorable President Cyril Ramaphosa that was tasked in development of the Wayleave Bylaw to regulate implementation of digital communications, rapid rollout of telecommunications infrastructure by private sector, finalizing and issuing regulations under policy and streamlining approval of wayleave applications at municipal level.

Notwithstanding the above achievements and accolades, the ICT section remains severely under resourced in terms of human capital/ warm bodies.

Supply Chain Management

- Overall, it is noted that the Supply Chain Management (SCM) process flow has improved, and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing). Historically, certain Directorates have indicated that their progress in terms of achieving targets had been affected by “red tape” and / or slow SCM processes.
- The Supply Chain Management (SCM) process flow has improved, and the scheduling of meetings has resulted in improvements in the SCM turnaround time (improvements are required ongoing). It is noted that certain Directorates have indicated their progress in terms of achieving targets that were hampered by “red tape” and or slow SCM processes.
- It is noted that improvements are required to be made in terms of the management of service providers. It appears that Directorates are not co - operating and are still not ensuring that that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors. This however remains an area that requires attention. It must be remembered that this function is critical – not only for operational reasons but due to legislative prescriptions. Upon further analysis and to improve day to day

Comparative Baseline ICT Maturity Score



Year	Municipality	Province	Code	ICT Process Perspective	Governance Capability Perspective	ICT Artefacts	User Satisfaction	Maturity Level
2020	Senqu LM	EC	EC142	2.42%	2.79%	3.59%	3.94%	3.18%
2018	Steve Tshwete LM	MP	MP313	3.10%	3.10%	3.00%	3.00%	3.05%
2020	Greater Letaba LM	LP	LIM332	2.11%	2.31%	2.97%	4.26%	2.91%
2019	Ray Enkonyeni LM	KZN	KZN216	2.00%	1.90%	2.80%	4.16%	2.72%
2020	Midvaal LM	GT	GT422	1.99%	2.24%	2.63%	3.53%	2.60%
2019	Emalahleni LM	MP	MP312	2.40%	1.40%	2.83%	3.69%	2.58%
2018	Amathole DM	EC	DC12	2.00%	2.30%	2.40%	3.20%	2.48%
2019	Mkahuduthamanga LM	LP	LIM473	1.60%	0.92%	3.00%	4.18%	2.42%
2018	Thaba Chweu LM	MP	MP321	1.90%	2.30%	1.90%	2.55%	2.16%
2020	KwaDukuza LM	KZN	KZN292	1.53%	1.87%	2.06%	2.14%	1.90%
2020	Kouga LM	EC	EC108	1.75%	0.80%	0.70%	3.71%	1.74%
2019	Chris Hani DM	EC	DC13	1.30%	0.75%	1.51%	3.34%	1.72%
2019	Makana LM	EC	EC104	0.90%	0.60%	1.70%	3.09%	1.57%
2019	Inxuba Yethemba LM	EC	EC131	1.20%	0.70%	1.93%	2.30%	1.53%
2018	Raymond Mhlaba LM	EC	EC129	1.00%	0.40%	1.50%	2.20%	1.28%

functionality it is suggested that:

Improvements are required to be made in terms of the way service providers are managed. Directorates are a contributing factor and fail to ensure that the required level of commitment is being given to managing service providers/contractors /consultants appointed within their directorates. These reports are being received by SCM from directorates and/ or project managers in terms of service providers and vendors.

This is a critical function, and it must be understood that it represents an area of compliance. This area of operation, functioning and reporting is not the sole responsibility of the Supply Chain (SCM) Manager and/or Supply Chain (SCM) Unit. Staff (SCM) are required to assist in collating and reporting of data BUT the performance management function of the service providers and vendors remains the responsibility of the relevant line managers in terms of assessing performance (as part of their day to day operational and management function). Currently, this is not taking place in a formalized manner and is an area of great concern that clearly requires attention. Failure to comply may lead to an audit query and an audit qualification which may have far reaching consequences overall.

Moving forward it must be ensured that Directorates manage service providers /contractor's/ consultant performances, and that good quality monitoring and reporting occurs, and assessments occur in terms of the performance system incorporated into the reviewed performance management policy framework as approved in October 2018. Failing this, consequence management is required to be instituted, and the necessary compliance notices are required to be issued, and disciplinary action taken where required.

A system to manage and rate service providers has been incorporated within the revised Performance Management Policy / Framework Policy as approved in October 2018. Currently the Supply Chain (SCM) Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed prior to processing an invoice. The performance of service providers will for some time remain an ongoing challenge. Overall results: Number Targets 2022/2023 with reference to the prior financial year:

Institutionally 2022/2023 there were 84 targets compared to 113 the previous years.

The municipality saw a decrease of 29 targets from the previous financial year.

In fact, the municipality recorded an overall, result for the 2022 / 2023 financial year of 53.57% on targets met and exceeded combined, while the overall result for the prior financial year 2020 /2021 was 73.45%

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARDS AND S46 PERFORMANCE REPORT 2022/2023

The s46 performance report is attached as an Annexure i.e., Appendix T – pages 1 to 64.

s46 of the Municipal Systems Act, Act 32 of 2000 informs this report directly and requires that:

- The Annual Performance report forms part of the municipality's Annual Report as per Chapter 12 of the Municipal Finance Management Act;
- The Annual Performance Report is required to reflect:
- The performance of the municipality and all external service providers utilised within the current financial year.
- Comparisons of all performance between the current and previous financial years (comparing targets against actual performance); and
- Detail regarding all measures taken to improve performance.

This s46 Performance Report will detail all issues as required and based on the information accessed via municipal reports, records, statistics and the like. It will be noted that this information is provided as a draft that incorporates the previous, current and future performance management targets and performance is reflected for the previous and current years (based on information provided by management).

Note:

- Information is provided in this first draft. Information has been accepted at face value and may be required to be amended during the final draft of the Annual Report.
- Challenges were experienced with reporting information. More specifically it is noted that:
- When considering the targets and reporting on milestones (these targets) there is often no alignment or correlation between the two. Often a specific technical and quantifiable answer is required (e.g., work performed) and the reporting states "Report". This clearly does not define anything.
- Often reporting is inadequate and not enough information is provided. If meetings were held the dates are required and any other pertinent facts.
- It is strongly recommended that when setting IDP targets it is ensured that these are set in a realistic and achievable manner. It is hard to adjust targets after the fact and sometimes a "continuous" or long-term target will be more realistic.
- Discrepancies are at times noted and it is not always clear which information is correct. Information must be provided accurately. The collators of the information depend totally on documentation provided and it is the responsibility of all Directors to ensure that.
- The IDP is required to show projected reporting that spans five (5) years – in this instance reporting does not cover this period – making it extremely difficult to compile the s46 report; and
- Correct reporting on performance is beneficial for all other performance reporting and performance assessment (i.e., reporting at both the institutional and individual). In order to assist it is suggested that the content is updated regularly in order to ensure accuracy of content – ensuring too that this is available and able to be used and accommodated within all other reporting required.

ANNUAL PERFORMANCE TARGETS 2022/2023 (SEE S46 ATTACHED)
Result of the prior financial year 2021 /2022

KPA	Total Number of KPI's Per KPA AREA	Exceeding Target	% KPI'S Exceeding Target	Number KPI's Meeting Target	% KPI'S Meeting Target	Number of KPI's Not Achieved	% KPI's Not Achieved	Number of targets on Not assessed/ On Hold	% Targets Not assessed/ On Hold
Service Delivery	40	4	10.00%	23	57.50%	13	32.50%	0	0.00%
LED	6	0	0.00%	4	66.67%	2	33.33%	0	0.00%
Financial Viability	20	0	0.00%	14	70.00%	6	30.00%	0	0.00%
Municipal Transformation & Development	26	0	0.00%	23	88.46%	3	11.54%	0	0.00%
Good Governance & Public Participation	21	0	0.00%	15	71.43%	6	28.57%	0	0.00%
TOTAL	113	4	3.54%	79	69.91%	30	26.55%	0	0.00%

Result of the current financial year under review 2022/2023

KPA	Total Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	% KPI'S Exceeding Target	Number KPI's Meeting Target	% KPI'S Meeting Target	Number of KPI's Not Achieved	% KPI's Not Achieved	Number of targets on Not assessed/ On Hold	% Targets Not assessed/ On Hold
Service Delivery	26	1	3.85%	8	30.77%	17	65.38%	0	0.00%
LED	6	0	0.00%	4	66.67%	2	33.33%	0	0.00%
Financial Viability	17	0	0.00%	11	64.71%	6	35.29%	0	0.00%
Municipal Transformation & Development	13	1	7.69%	9	69.23%	3	23.08%	0	0.00%
Good Governance & Public Participation	13	0	0.00%	9	69.23%	4	30.77%	0	0.00%
ENVIRONMENTAL AND SPATIAL MANAGEMENT	9	0	0.00%	3	33.33%	6	66.67%	0	0.00%
TOTAL	84	2	2.38%	43	51.19%	39	46.43%	0	0.00%



CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE: PERFORMANCE REPORT PART 2

Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE: (PERFORMANCE REPORT PART 2)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

Performance management and ultimately performance optimization are critical factors in ensuring that the organization is able to meet its strategic and day to day operational objectives. Senqu Municipality engages in all reasonable efforts to ensure that it is able to meet both the IDP objectives and day to day operational needs. This is achieved by ensuring that it has all required resources at its disposal in order to achieve desired outcomes.

Political and administrative infrastructure support is provided in order to ensure that staff and relevant departments function optimally. To this end, the required policies, procedures, human resources, financial resources, operational resources and infrastructure are made available. In doing so all aspects of legislative compliance are adhered to and so too operational needs and alignment with policy on all levels. In terms of legislation, all issues of compliance are adhered to. These relate to Recruitment, Employment Equity, Skills and related others.

Strictest controls are undertaken so as to ensure that all aspects of staff recruitment, selection, appointment and retention are handled correctly and strictly in accordance with stated policy, procedures and legislation. It is understood and recognized that effective employee relations is critical and enhanced where possible by ensuring that: staffing is managed effectively; labour is managed by engaging in effective employment practices; staff are trained and developed according to structured needs; optimal organizational structures are developed and job descriptions for all posts are developed in accordance with the principles of correct division of work and the manner in which performance will be monitored.

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEE TOTALS					
Description	Year		Year June 2023		
	June 2022				
	Employees No.	Approved Posts No.	Employees No.	Vacancies No. (funded)	Vacancies%
Municipal Manager	9	11	9	2	18.2
Human Resource	6	7	6	6	0
Admin & Council Support	17	22	21	1	4.5
IGR/ Stakeholder Engagement	9	9	9	0	0
Roads & Stormwater	36	38	37	1	2.6
Fleet	1	1	1	1	0
Housing	7	7	6	1	14.2
PMU	6	6	6	0	0
Governance & Compliance	4	5	4	1	20
Local Economic Development & Planning	2	3	2	1	33.3
Communications	2	2	2	0	0
Community & Social service	34	35	34	1	2.9
Electricity	14	18	14	4	22.2
Budget & Treasury	2	3	2	1	33.3
Information Technology	3	3	3	0	0
Traffic	9	12	10	2	16.66
Supply Chain & Expenditure	14	13	12	1	7.69
Revenue	19	18	18	0	0
Waste Management	70	74	70	4	5.40
Department Coordinators	4	4	4	0	0
Section 56	6	6	4	2	33.33
Totals	275	297	274	29	9.8

EMPLOYEE VACANCY AND TURNOVER RATE (Continued)

VACANCY RATE: YEAR AS AT JUNE 2022			
Designations	*Total Approved Posts	*Vacancies (total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	1	0
Chief Financial Officer (CFO)	1	1	0
Other s56 Managers	4	0	0
levels 16-25 (excluding Finance posts)	13	2	15.4
levels 16-25 (Finance posts only)	5	0	0
levels 13-15 (excluding Finance posts)	7	2	28.6
levels 13-15 (Finance posts only)	2	1	50
levels 9-12 (excluding Finance posts)	44	7	15.9
Levels 9-12 (Finance posts only)	17	0	0
Levels 4- 8	79	7	8.9
Levels 1-3	124	8	6.5
Other (Finance Only)			
Total	297	29	9.8

TURN-OVER RATE			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
July 2021 to June 2022	275	23	8.36
July 2022 to June 2023	274	29	10.58

Due to Covid and restrictions and risks in both financial years as depicted below, the municipality did not perform well.

- During 2021/2022: 8.36 % of all funded posts were filled.
- During 2022/ 2023: 10.58 % of all funded posts were filled

Staff Establishment Figures:

2021/ 2022				2022/2023			
Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant	Total No. of posts on organogram	Filled posts	Funded & Vacant	Unfunded & Vacant
310	275	23	12	315	274	29	12

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant unfunded posts in the Entire Institution
298	6	275	16	7

The table below details the approved, filled and vacant funded posts within Senqu Municipality for 2022/23 (previous year):

Approved and Funded Posts in the entire Institution	Number of Employment Contracts and Performance Agreements	Filled Posts	Total Number of Vacant funded posts in the Entire Institution	Total Number of Vacant unfunded posts in the Entire Institution
315	6	274	29	12

Organization Structure

The municipality has a total of 315 posts on its organogram. 274 posts have been filled and 29 funded positions remain vacant. There are 12 unfunded and vacant positions. An analysis of posts during the year under review provides the following detail:

Organizational Structure (2022/2023)

Department / Function	Posts Filled	Posts Funded But Vacant	Posts Unfunded	Total Number of Posts
Council and Executive	13	2	1	16
Corporate & Support Service	34	2	1	37
Budget & Treasury Service	40	2	3	45
Community & Social Service	114	12	3	129
Technical & Engineering Service	59	9	3	71
Planning and Development	15	2	0	17
Total	274	29	12	315
Percentage (against total no. of posts)				--

- Staff appointments during this time: 25
- Staff terminations: 14

Levels of education and skills (2022 - 2023)

Period	Total Number of Staff	Number of Staff Without Grade 12	Number of Staff With Senior Certificate Only	Number of Staff With Tertiary/Accredited Professionals Training
2021 / 2022	275	137	41	97
2022 / 2023	275	137	41	97

Comment on Vacancies and Turnover

It must be noted that the turnover rate moved from 6.1 % to 8.36 %. The increase was as a result of number of natural attritions. The 10 terminations are detailed as follows: 4 resignations, 3 decease, 2 dismissals and 1 retirement.

Employment Equity Statistics

This reflects the following target groups i.e. staff employed in the three highest levels of management in compliance with the Municipality's approved Employment Equity Plan (2022/2023)

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators	19				15				34
Top Management	3	1			2				6
Senior Management Targets		1						1	2
Senior Management Targets Met – June 2022	7			2	5	1		2	17
Professionally Qualified and Experienced Specialists and Mid Management		1			1	1			3
Professionally Qualified and Experienced Specialists and Mid Management met – June 2022	16	1			22	3			42
Skilled Technical and Academically Qualified Workers		1				1			2
Skilled Technical and Academically Qualified Workers Target met – June 2022	16				5				21

Despite notable successes, the scarcity of skills challenge remains. More specifically it is noted that:

Compliance has been achieved in respect of the fact that the number of people from employer equity target groups employed in the 3 highest levels of the organogram are in compliance with a municipal approved Employment Equity Plan.

Despite having been able to fill vacancies, it must always be remembered that Senqu LM is a rural based municipality and salary structures are attached to the grade of the Municipality. The Task Job Evaluation System allows for flexibility and equivalent qualifications as per qualification recognition. By recognizing this, we promote and ensure inclusivity and fairness by providing a greater scope of opportunity to be part of an appropriate job pool. As a rural municipality in particular, we acknowledge that there exists a combination of experience and appropriate qualifications that would allow applicants to function in posts should they be appointed thereto. Many suitable criterions exist that will create opportunities to best fill vacancies and this is 100% in line with accepted Job Evaluation criteria - acknowledging essential and preferred requirements. It must be acknowledged that rural type municipalities struggle on a national level to attract/fill critical posts. While this is a reality and acknowledged nationally, it must always be taken into account and acknowledged when issues and difficulties arise in attempting to make appointments.

There is an under-representation within the category of the disabled, but this issue must be understood within its particular context. This situation is to a large extent due to factors beyond one's control. In many instances efforts to recruit and select the right candidates are hampered by the fact that those applying for a post, may not meet the Employment Equity criteria/are not from the designated /targeted groups within the labour market. In these instances, there is little one can do aside from marketing to these groups and attempting to recruit by using more attractive remuneration packages; and It is well known and accepted that the geographical location and the rural nature of the municipality often in itself presents a challenge, in terms of influencing whether candidates will apply to the organization and whether the organization and/or the geographical location will meet their specific needs or not.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The management and control of the Municipal Workforce is governed and defined by the Labour Relations Act; the Basic Conditions of Employment Act; the Employment Equity Act; the Municipal Finance Management Act; the Internal Disciplinary Policy and Procedures; the Performance Management Policy and many related policies, procedures and legislation. In order to ensure that these are implemented correctly and to ensure that management and staff have the required level of commitment, stakeholders are involved in the compilation of these policies and relevant staff are well trained on these in order to ensure that they can be effectively applied.

All staff joining Senqu Municipality are taken through an appropriate induction. Accordingly, all staff, management and Councilors receive a Code of Conduct and undergo suitable induction training. The policies and procedures are reviewed annually in order to ensure that they are managed and remain applicable to the current context at all times.

At all times it remains the intention of the organization to create a personnel administration that is administered and managed in a manner that is: fair, efficient, effective and transparent. Management in turn are required to manage and support staff appropriately and according to legislative prescripts. In this manner a supportive management and administrative structure is created, which enables successful outcomes and performance optimization at every level.

POLICIES

Human Resource Plans that have been developed and/or reviewed 2022/2023:

HUMAN RESOURCES POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Leave Policy	100	100	26 February 2021
2	Recruitment and Selection Policy	100	100	30 May 2022
3	Remuneration	100	100	26 February 2021
4	Travel and Substance Allowance	100	100	30 May 2022
5	Perks/Travelling allowance Policy	100	New	26 May 2021
6	Cellular & 3G	100	100	26 February 2021
7	Termination of Employment	100	100	30 May 2022
8	Skills Development previously known as the Bursary Policy	100	100	30 May 2022
9	Promotion, Demotion and Transfer	100	100	30 May 2022

Human Resource Plans that have been developed and/or reviewed 2022/2023:

HUMAN RESOURCES POLICIES AND PLANS			
Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1 Bursary	100	100	30 May 2022
2 Occupational Health & Safety	100	100	23 August 2018
3 Recruitment, Selection & Appointments	100		30 May 2022
4 Remuneration Policy	100	100	30 May 2022
5 Termination of employment	100	100	30 May 2022

Organization – wide Policies and Plans that have been developed and/or reviewed 2021/2022 and 2022/2023:

POLICIES (ORGANIZATION WIDE)				
Newly Developed	Revised	Consultation Top Management LLF (through circular for comment or at LLF meetings)	Dates Ratified by Council By	Policies Implemented (Yes or No)
No	Supply Chain Management	Yes	30 May 2022	Yes
No	Debt Collection and Credit Control	Yes	30 May 2022	Yes
No	Cash Management Banking and Investment Policy	Yes	30 May 2022	Yes
No	Borrowing Funding & Reserve	Yes	30 May 2022	Yes
No	Virement Policy	Yes	30 May 2022	Yes
No	IT Disaster Recovery Plan	Yes	July 2019	Yes
No	ICT Strategic Plan	Yes	30 May 2022	Yes
No	Performance Management Policy	Yes	October 2018	Yes
No	Liquidity	Yes	30 May 2022	Yes
No	Property Rates	Yes	30 May 2022	Yes
No	Municipal Cost Containment	Yes	30 May 2022	Yes
No	Asset Management and Insurance	Yes	30 May 2022	Yes
No	Municipal Corporate ICT Governance Framework	Yes	30 May 2022	Yes

INJURIES, SICKNESS AND SUSPENSIONS

The tables below reflect the statistics for both the current and the previous financial year i.e. 2021/2022 and 2020/2021 reflecting sick leave related statistics:

Previous Financial Year Sick Leave related costs: 2021/2022

Number of Days and Costs of Sick Leave (Excluding IOD) 2021/2022						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	246	0	33	118	2	24 206.40
levels 4-8	297	0	297	56	2	44 570.79
Levels 9-12	305	0	38	60	2	58 023.20
Levels 13-15	61	0	9	7	2	20 020.81
Levels 16 – 25	162	0	12	18	2	79 571.16
MM and s56	22	0	4	6	1	21 121.10

Note: Calculations are made against the lowest earnings on each level, multiplied by the total sick leave days and reflected as a total i.e. the total estimated cost.

Current financial year Sick Leave related costs: 2022/2023

Number of Days and Costs of Sick Leave (Excluding IOD) 2022/2023						
Salary Band	Total Sick Leave Days	Proportion of sick leave without medical certificate %	Number Employees using sick leave	Total number of employees in post	Average sick leave per employee Days	Estimated cost R '000
Levels 1-3	509	0	45	111	2	46 135.76
levels 4-8	219	0	40	70	2	23 879.76
Levels 9-12	306	0	39	61	1	57 564.72
Levels 13-15	74	0	6	11	2	22 967.70
Levels 16 – 25	79	0	7	16	2	37 476.60
MM and s56	26	0	4	6	1	20 340.80

Comment on Injury and Sick Leave

Although sick leave patterns may not appear excessive, they must be monitored closely as a matter of course and emerging patterns must be handled correctly.

All instances of Sick Leave must be applied strictly in accordance with the policy and all paperwork relating to Sick Leave must be completed prior or after the illness (depending on its nature). As per the prescriptions of policy, a doctor's certificate is not required for a period less than 3 days unless there is a history of sick leave having been taken (i.e. sick leave that has been taken twice in a continuous 8-week period). If this is the case a doctor's certificate is required. A certificate is also required if patterned behaviour begins to emerge and management may then justifiably request a sick leave certificate, should this become evident. For any period, greater than 2 consecutive days, a sick leave certificate is also required.

Injury on Duty (IOD's) are required to be reported and managed strictly in accordance with the Occupational Health and Safety Policy in which the procedure is clearly stated. In instances where injuries / sick leave extends for long periods or are in question, the organization reserves the right to have the injury/aspect of sick leave examined by a doctor of choice.

Suspensions and Cases of Financial Misconduct:

Number and Period of Suspensions 2021 / 2022				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
N/A	N/A	N/A	N/A	N/A

Cases of Misconduct

Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary Action taken	Date Finalized
Middle manager	Contravention of the SCM regulations	Dismissal	15 September 2022

PERFORMANCE REPORTING AND REWARDS

Performance Management Context and Guiding Principles

The Performance Management Framework, Policy and Procedure was updated, revised and aligned to the Competency Framework within the 2018/2019 period. As already detailed, this was not completed during the 2019/2020 period. It is important to note that the Competency Framework has replaced Regulation 26(8) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (Government Notice No. 805) as published in the Government Gazette No. 29089 of 1 August 2006. In terms of this, any person appointed as a senior manager is now required to possess all the specific leadership and management related competencies as set out within this framework. This clearly impacts on recruitment and as such, when appointing any such manager, the suitability for any such position must incorporate assessment of the applicants' proven ability within all of these specified areas. Training and development should also take these competencies into account and inform all training required to close any such competency gaps.

In order to comply with the prescriptions of the Competency Framework, these competencies have been incorporated into Senqu Municipality's current policy. As this policy is translated into operational targets and performance targets for individuals to whom the policy applies (as part of the policy "roll-out"), the specific performance targets that relate to Leading Competencies and Core Competencies are now included within the Employee Scorecards (to whom these apply i.e. to the s56 Directors and middle managers). This is also detailed within the Employee Performance Management System and related policy.

As per legislative prescriptions, all municipalities are legally required to develop a performance management system that will enhance the organisations levels of efficiency and effectiveness, account for the use of municipal resources and clearly indicate the achievement of outcomes. That being said and in terms of the Systems Act it was understood and accepted that municipalities were required to develop and utilize systems that were best suited to their environment, circumstances and available resources. It is under these conditions and with this express understanding, that Senqu Municipality

developed its PMS Framework and Policy and is revised continuously since 2011..

The reviewed and updated Performance Management Policy was approved by Council in October 2018. This policy is now split into 2 groups. Group 1 is applicable to s56 employees and identified middle managers from Task Levels 15 and above. Group 2 is applicable to all staff not deemed to be middle management i.e. from TASK Levels 14 and below. It also accommodates the performance management of interns, service providers and the appropriate performance assessment of all parties. In order to ensure compliance with the latest legislation the policy has also been written to accommodate the new Competency Framework Regulations.

The Performance Management Framework and System must not simply be followed in order to achieve required levels of compliance (in terms of legislative prescripts). This framework and system is in effect a management tool, that is designed to assist and facilitate the manner in which performance objectives and targets are met throughout the organization. It is in all instances an "enabler" of improved performance. The existence of a framework and system of this nature facilitates a process whereby service delivery objectives can be successfully achieved overall, in a specific, realistic and planned manner. Current circumstances, available resources and current challenges must always be taken into account.

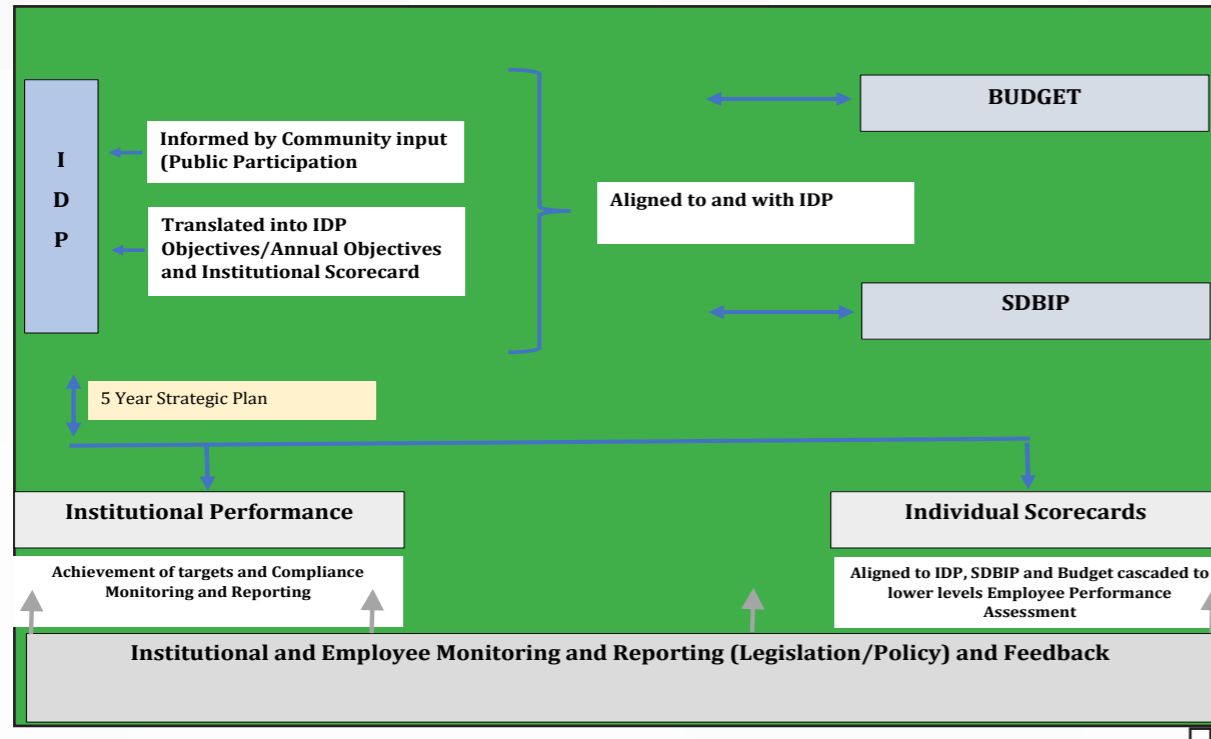
The Performance Management System exists in order to provide the organisation with the framework and tools necessary to ensure the development of a performance management culture throughout. As a management tool, the performance management system, enables the organization to achieve its strategic objectives which are aligned to the IDP and institutional scorecard – facilitating effective and efficient service delivery.

"Performance Management" is not an isolated event. It represents a "means to an end" in the efforts undertaken to achieve a state and culture of performance optimization throughout the organization. In order to achieve this, it is recognized that performance management must be regarded as an integrated approach that combines the manner in which both individual employee performance and institutional performance is managed and reported on, in accordance with the relevant legislative prescripts. It is further acknowledged that the one cannot be successfully achieved in the absence of the other.

Relationship between the Performance Management System and targets and issue of alignment

The relationship between the performance management system and process and the performance targets is explained diagrammatically below:

- Figure: Integration of Institutional and Employee Performance Management and alignment of objectives and targets with IDP and Budget



As per the figure above:

- The Five (5) year Integrated Development Plan (IDP) is developed with community input.
- The IDP (as a 5-year strategic plan) is translated into an Annual Plan or Institutional Scorecard.
- It is critically important that there is alignment between the IDP, the Institutional Scorecard, the Budget and the SDBIP. It is also critically important that there is alignment between the SDBIP and the Performance Scorecards of all staff.
- The SDBIP and the integrated PMS provide the vital link between the mayor, council (executive) and the administration and facilitates the process of holding management accountable for its performance. The SDBIP and the PMS are management implementation and monitoring tools which assist the mayor, the councillors, municipal manager, senior managers and the community in evaluating the performance of the council. A properly formulated SDBIP and PMS will ensure that the appropriate information is circulated, assessed and reported on internally and externally for purposes of monitoring.
- Directorate performance scorecards reflect the strategic objectives which are incorporated and aligned to the IDP, Budget and SDBIP. Competency Framework Standards are also included within the s56 Director's scorecards and those of middle management.
- The SDBIP represents a "contract" between the administration, council and the community. It expresses the goals and objectives set by the council as quantifiable outcomes that are to be achieved by the end of the financial year in question. Service delivery performance is measured in terms of the SDBIP targets and the degree to which operational plans have been achieved. As per a "cascade type approach", the Departmental SDBIP's will inform the Performance Scorecards of each manager and staff member and at every level, the operational targets and objectives will be cascaded and aligned to the strategic plan; and
- Despite the split between the PMS Policy required by levels and explained further below, the performance management concepts remain the same and all required targets (from as per the SDBIP and competency framework) are cascaded to all levels to a greater or lesser degree as dictated in terms of the prescriptions of each policy.

Current scenario and Way Forward (context provided)

- During 2017/2018 the Performance Management System was applicable only to the level of s56 Directors and middle managers. In terms of policy in its current state it was therefore only applicable to Group 1 only i.e. applicable down to TASK level 15. Moving forward and as from 2019/2020 it was the intention that the system would be cascaded down to lower levels i.e. from TASK levels 14 to TASK levels 12. In effecting this change during 2019/2020, it was recognized that a Group 2 policy be developed and aligned to the needs of the lower levels and appropriate assessment of their performance as follows:
- As already indicated, what was once a single policy had now been split into two policies in order to accommodate both Groups of Staff to whom it would be applicable and to ensure that these policies would be able to be practically applied.
- The first half of the policy would be applicable to Group 1 i.e., to all staff at the level of the Municipal Manager, s56 Directors' and those staff considered to be at the Middle Management level (i.e. those staff reporting directly to s56 Directors) and generally considered to be at a TASK Level that is not lower than a level 15. When assessing performance of directors and middle management at these levels, all assessment processes and criteria as detailed within policy are to be adhered to as prescribed.
- This policy also incorporated Institutional Performance Management and performance assessment of service providers, as these functions and responsibilities apply at these levels of management and staff;
- The policy for Group 2 would be applicable to all remaining staff (from TASK Level 14 and below). It would also include the performance management and assessment of any interns.
- Ultimately in 2021/2022 the system cascaded to staff below middle managers, but it was met with apathy challenges.
- The capacity of to carry out this exercise internally effectively also impacted negatively on the project as result, the municipality took a decision to move employee performance to Corporate Services in 2021/2022 as stated above.
- NOTE: Both the Employee and Institutional Performance Management System will be detailed separately and in the case of the Employee Performance Management process –the issue of rewards also will be covered.

Employee Performance Management (Assessment and Management)

The Employee Performance Management System operates within a cycle which extends from 1 July – 30 June annually – divided into quarterly activities as depicted below:



Steps in The Performance Management Cycle (as depicted in the diagram above)

1st Quarter (July to September): Informal Review occurs between manager and direct report. Discussion, agreement and development of Personal Plan (scorecard); development of Personal Development Plan (PDP) and SDBIP Reporting is required to occur.

2nd Quarter (October to December): Formal review/assessment between manager and direct report. Assessment on PDP and SDBIP Reporting culminating in s72 formal performance assessment report.

3rd Quarter (January to March): Informal Review between manager and direct report. Discussion and agreement regarding achievement of performance regarding Personal Plan; Personal Development Plan (PDP) and SDBIP Reporting.

4th Quarter (April to June): Final formal review with panel (occurring after AG audit of s46 and approved Annual Report).

Annually, the following steps are taken:

- Step 1: Fourth Quarter (Planning for the next cycle)
- Scorecards (Personal Plans) for staff are developed. These Scorecards differ for Groups 1 and Groups 2 and are prescribed as per policy. All targets are written strictly in accordance with the manner in which targets are required to be written (i.e. In accordance with the SMART principle).

It is very important that every effort is made to ensure that there is alignment at every level i.e. between scorecards, the SDBIP, Budget and IDP;

- Manager/line supervisor (depending on the group) and subordinate discuss and agree on targets.
- Areas for development are identified and reflected in a Personal Development Plan (PDP) or customized action plan that is signed by both parties in order to show commitment to achievement. This reflects the training and development needs that must take place in order to ensure that the subordinate is able to meet the required targets; and
- The Municipal Manager and s56 Directors and Middle Manager's sign annual performance agreements, applicable for this period.

NOTE: Since Individual and Employee Performance will not longer be housed under the same department and section in 2021/2022, this might necessitated a change in policy.

- Step 2: First Quarter Informal Review (Coaching and Reinforcement)
- At the end of this quarter the manager/line supervisor (depending on group) and subordinate meet to discuss actual performance against required performance. Achievements are commended, and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs, and targets are met.
- Step 3: Second Quarter Formal Review/Assessment
- Manager/line supervisor and subordinate meet to discuss the formal assessment and the rating of actual performance against expected performance for all performance indicators. (The manner of ratings follows below). Agreement is reached on ratings and commitment (action plans) to required action to ensure that required targets are achieved.
- Institutional Performance Targets, including Directorate individual targets, are formally assessed through the s72 performance report in quarter 2.
- Third Quarter: Informal Review (Coaching and Reinforcement)
- At the end of this quarter the manager/line supervisor and subordinate meet to discuss actual performance against required performance.
- Achievements are commended, and appropriate Action Plans developed in order to address any highlighted performance issues; and
- Action Plans are monitored so that appropriate action occurs.
- Fourth Quarter: Final Formal Review (Formal Panel Assessment)
- This assessment occurs after the auditing of the s46 / Annual Report. This is necessitated in order to be able to verify (from an external source) the achievement of targets/the extent to which targets have been achieved.
- Assessment of performance for all performance indicators is undertaken and, in this instance, assessment is undertaken by a panel, constituted according to the Framework and detailed below;
- As detailed within the Framework and Policy and amendments to the two groups as indicated in 4.2.1, differences will ultimately be observed in the final assessment (panel constitution and process).

Developing Personal Plans and Scorecards for employees

When developing scorecards (Personal Plans), it is critically important to ensure that the prescriptions for each policy group are adhered to as follows:

- Group 1: Municipal Manager, s56 Directors and middle managers
-

- Each scorecard for the Municipal Manager, s56 Directors and Middle Manager's is compiled of Key Performance Areas (that make up 80% of the scorecard weighting) and Leadership and Core Competencies (that make up 20% of the scorecard weighting). Each area of assessment shall be weighted and shall contribute a specific part to the total score. The KPA's will total 100 points and the Leadership and Core Competencies will total 100 points, despite their total weightings of 80% and 20% respectively.
- Senqu Municipality has adopted the five National Key Performance Indicators as contained within the 5-year Local Government Strategic Agenda as their Key Performance Areas (KPAs') within the organisational performance scorecard.

Accordingly, the following Key Performance Areas (KPA's) apply:

Basic Service Delivery (all service delivery related activities and functions);

- Local Economic Development (relating to all activities and functions that promote economic development and alleviate poverty);
- Governance and Public Participation (relating to organizational and administrative governance and all aspects of public participation);
- Municipal Transformation and Organisational Development (this relates to the manner in which the institution is capacitated to conduct its affairs with required levels of conformance); and
- Municipal Financial Viability and Management (ensuring strict adherence to the MFMA and standard accounting and financial management practices).
- In the case of the Municipal Manager, the s56 Directors and middle managers, the scorecards are populated with the Key Performance Areas that are appropriate to the positions' themselves. The amount of emphasis that a National KPA would carry within this particular Directorate /Department/ Division and the position itself is key to the degree of its use. Under these circumstances, certain scorecards/performance plans will be populated with all five (5) of the national key indicators and some may only consist of three (3) or four (4) of the five National Key Performance Indicators. The weightings may vary/ differ, depending entirely on the responsibilities of the position itself.
- Performance Agreements and current scorecards/Personal Plans are concluded annually for the Municipal Manager; s56 Directors' and middle managers'; and
- In terms of policy there are additional differences in the manner in which performance scorecards/ personal plans are structured for different levels within and between policies as follows:
- These consist of Key Performance Areas that are appropriate to the positions' themselves (accounting for 80% of the weighting) and relate to the National Key Performance Indicators.
- The Municipal Manager and s56 Directors will have scorecards that include "Leadership and Core Competencies" that make up 20% of the scorecard weighting).
- By comparison, the Middle Managers from the same group, will have scorecards that have the 20% weighting made up of only three (3) Compulsory Core Management Competencies.
- The competencies that now appear in the Competency Framework Structure are detailed in the table that follows– defined as Leading Competencies and Core Competencies:
- Leadership and Core Competencies

LEADING COMPETENCIES	
Strategic Direction and Leadership "Provide and direct a vision for the institution and inspire and deploy others to deliver on the strategic mandate".	Impact and Influence Institutional Performance and Management Strategic Planning and Management Organisational Awareness
People Management "Effectively manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives".	Human Capital Planning and Development Diversity Management Employee Relations Management Negotiation and Dispute Management
Programme and Project Management "Able to understand programme and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives".	Programme and Project Planning and Implementation Service Delivery Management Programme and Project Monitoring and Evaluation
Financial Management "Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner".	Budget Planning and Execution Financial Strategy and Delivery Financial Reporting and Monitoring
Change Leadership "Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and delivery professional and quality services to the community".	Change Vision and Strategy Process Design and Improvement Change Impact Monitoring and Evaluation
Governance Leadership "Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualisation of relevant policies and enhance cooperative governance relationships".	Policy Formulation Risk and Compliance Management Cooperative Governance

CORE COMPETENCIES
Moral Competence
Planning and organising
Analysis and Innovation
Knowledge and Information Management
Communication
Results and Quality Focus

Group 2 - Other staff (TASK levels 14 and below)

- All remaining staff will have generic type scorecards;
- Each Scorecard is made up of 100 points.
- There are two (2) parts to each scorecard.
- Part 1: Technical Competencies (applicable to three (3) areas of specific technical competence) and contributes to 80 points overall; and

- Part 2: Standardized Behavioural and Performance Targets. This comprises the same generic targets for all staff in this group viz. Time Keeping, Absenteeism, Meeting Deadlines, Customer Focus, Health and Safety, Discipline, Administration and Communication. These contribute to a full 20 points of the scorecard);
- Performance targets become more operationally based at each lower level and accordingly the performance targets must be written differently and more operationally at these levels. This will become effective at the time that the PMS is applicable to them and will be signed annually.
- Rating of Employee Performance (differences in Groups 1 and 2)
- The rating of an employee's level of performance, whether in the category of s56 Director, as a middle manager or general staff member, requires that ratings occur in terms of the rating calculator reflected within the stated and currently applicable policy (Group 1 and 2 differ as indicated).

Group 1 Rating Assessments

Within the current year the Rating Calculator Assessment Tool has been aligned to the levels attached to the Competency Framework i.e., Basic (Level 1 and 2), Competent, Advanced and Superior Performance (as reflected in the table below):

Rating Calculator Assessment Tool

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance "SUPERIOR"	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above the fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations "ADVANCED"	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective "COMPETENT"	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
2	Performance not fully effective "BASIC LEVEL 2"	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
1	Unacceptable performance "BASIC LEVEL 1"	Performance does not meet the standard expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreement and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

Performance is rated in accordance with this scale for each target. In addition to the level descriptors above, the following factors and descriptions must also be considered when assigning achievement levels and related ratings:

ACHIEVEMENT LEVELS	DESCRIPTION
Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.
Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses.
Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

Note: To ensure consistent application of these level descriptors, attention to the wording of the descriptors must be taken into account. Allowances for extenuating circumstances and actions out of the norm/over what was required, must be taken into account. This may be used to justify a change in rating, or effectively to accommodate the target being considered to have been achieved – with a variance.

Example:

If 4 meetings were required per quarter and 4 took place but two of these were held in the same quarter (timings out but justified) – this would be considered to have been met – with a variance (which is then explained).

In these instances, the reason for the variance and the remedial action taken must be justified accordingly. A degree of flexibility when determining the applicable rating – providing it can be warranted/justified must be allowed. These factors must be considered during the auditing process as if not applied this can be challenged.

Note: When assessing an individual's performance external factors may be considered as the employee is able to use initiative in order to ensure that the job gets done. Targets may then be met "with a variance" and extenuating circumstances will be taken into account.

When it comes to institutional performance this does not apply and targets are either rated as "achieved" or "not achieved".

As per the previous Regulations, assessment of actions taken must also take the following issues into account:

Duration of Task	Was the target achieved within the projected timeframe?
Level of Complexity	What problem-solving techniques occurred? What innovative action was taken? What level of operation/complexity occurred?
Cost	To what extent were costs maintained within budget? Was the budget exceeded? Were savings apparent?
Constraints	What constraints were expected: Did these occur? To what extent did this affect the desired outcome? What actions /especially proactive where taken to resolve the issue?

Note: Assessment and Rating for Group 1 (the Municipal Manager, s56 Directors and Middle Managers) During the first “formal” review (December), the “Manager” will assess the subordinate’s performance by using the rating scale of 1 to 5 and the reasons for variances. Similarly, the subordinate will conduct a self- assessment. When meeting, both parties will attempt to reach agreement on the ratings. Where no agreement is reached as to the final score, the decision will be made by the next higher level of authority (as per the dispute resolution mechanism). The results of the assessment will guide the manager and subordinate to take appropriate steps to improve performance ongoing (through the development of action plans); and

During the final review assessment (formal panel assessment for the period 1 July to 30 June), performance will also be rated according to these level descriptors although it will be rated by the relevant performance assessment panel and consolidated ratings will be translated into appropriately weighted scores by the Performance Management Facilitator. Variances are taken into account and examined/motivated appropriately.

Note: KPA’s are assessed by the panel, as stipulated, but leading and core competencies are assessed only by the incumbent, the relevant Director/Municipal Manager and the Performance Management Facilitator; and No final assessment should take place prior to the Annual Report being approved. At this point all the performance information has been audited and considered to be a true reflection of reality. Only verified evidence of claims of performance are considered to be true and can be taken into account.

Assessments are based on the degree to which a performance indicator has been met. Failure to produce adequate evidence will result in the lowest rating being awarded i.e. a rating of the number “1”.

Group 2 Rating Assessments

Staff will be rated according to performance on a set of stipulated targets (generic and technical issues) as stipulated within the approved policy. A different rating scale as applicable and is detailed below:

Group 2 Rating Calculator

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance “SUPERIOR”	Performance exceeds targets in 80% of indicators.
4	Performance significantly above expectations “ADVANCED”	Performance is higher than the standard expected in terms of the target. Consider action over and above what is expected/use of initiative.
3	Fully effective “COMPETENT”	Performance fully meets the standard required by the targets.
2	Performance not fully effective “BASIC LEVEL 2”	Performance is below the standard.
1	Unacceptable performance “BASIC LEVEL 1”	Performance does not meet the standard expected for the job.

When assessing performance, the following issues must be taken into account:

Duration of Task	Was the target achieved within the projected timeframe?
Level of Complexity	What problem-solving techniques occurred? What innovative action was taken? What level of operation/complexity occurred?
Cost	To what extent were costs maintained within budget? Was the budget exceeded? Were savings apparent?
Constraints	What constraints were expected? Did these occur? To what extent did this affect the desired outcome? What actions /especially proactive where taken to resolve the issue?

In the first assessment review, the immediate manager and related subordinates will discuss assessments and validate all assessments made via a suitably prepared Portfolio of Evidence. A rating will be agreed. During the final assessment an assessment panel will determine the final rating and thus score. Spot checks will be conducted by the PMS Facilitator. The relevant Head of Department/Director will sign off on the final outcome.

Scoring of Employees Performance (Groups 1 and 2)

Note: Rating and Scoring are two distinct and different processes.

The rating is used to determine the actual score from the total possible score for each output.

In the case of Group 1, each performance scorecard is made up of 200 points. 100 points for the KPA’s which are then weighted as a total of 80% and 100 points allocated to the Leading and Core Competencies (only Leading Competencies applicable for Middle managers) which are then weighted as 20%. This is adjusted to finally reflect the 80:20 = 100% scorecard value, that is referred to later when scoring.

It is the responsibility of the PMS Facilitator to translate these ratings into the final weighted scores.

Note: Terminology Consistency

- It is noted that there are occasions where for all intents and purposes targets are met, but with a justifiable variance. No longer may the term “partially met” be used – it is required that the reason for the variance/deviation be explained and motivated, together with any remedial action that may have been taken to address it, i.e. “Target met with a variance in that (Insert what had occurred) and the following remedial action was taken to remedy the situation.....”;
- The extent of the remedial / pro-active action required and taken may impact on the fact that a target will be regarded as having been met with “a variance”.

In the case of Group 2 panellist ratings added and consolidated to determine the final score out of 100. The panel is used to address bias!

Performance Bonuses

- Group 1: Performance Bonuses applicable to Municipal Manager and s56 Directors
- In order for the Municipal Manager, s56 Directors and Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed into averaged scores (representative of the entire panel) for all KPA related targets; and
- Leading Competency scores are evaluated according to ratings provided by the incumbent, immediate supervisor/manager/audit committee member and the performance management expert who are deemed as being most appropriate to rate these areas – measuring aspects of leadership. Total ratings and scores per incumbent are consolidated by the Performance Management Facilitator appointed for this purpose.

Figure: Assessment panel constitution for the Municipal Manager and s56 Managers

Assessment Panel of the Municipal Manager (MM)	Assessment Panel of S56 Directors accountable to the Municipal Manager (MM)
Mayor	MM
Chairperson of the audit committee or Audit Committee Member	Chairperson of the audit committee or Audit Committee Member
Mayor or Municipal Manager from another municipality	Municipal Manager from another municipality
Ward committee member nominated by Mayor	Portfolio Councillor or Exco Member as nominated by the Mayor
Exco Member as nominated by the Mayor	Governance and Compliance Manager
Governance and Compliance Manager	PMS Facilitator
PMS Facilitator	

The Municipal Manager and s56 Directors are required to prepare and present a Portfolio of Evidence substantiating claims of performance for each and every Performance Indicator for KPA's, Leading Competencies and CMC's. This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus. Bonuses are awarded according to the following sliding scale – achieved by doubling the final total score out of 100 - as adjusted down in 80:20 ratio to reflect out of 100 from 200. This 80:20 adjusted figure out of 100, is then doubled to reflect a figure out of 200- so that it can apply strictly in accordance with the rating scale.

The sliding scale for bonuses applicable to s56 Managers is reflected as follows:

Score / 200	% Bonus for s56 Managers
130 (65%)	5 % of total annual remuneration package
134	6 % of total annual remuneration package
138	7 % of total annual remuneration package
142	8 % of total annual remuneration package
146	9 % of total annual remuneration package
150	10 % of total annual remuneration package
154	11 % of total annual remuneration package
158	12 % of total annual remuneration package
162	13 % of total annual remuneration package
166+ (83% +)	14 % of total annual remuneration package

As per the Performance Regulations, the Municipal Manager and s56 Directors will be able to qualify for performance bonuses according to the following ratings (reflected in the table below):
A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9%, and
A score of 150 and above is awarded a performance bonus ranging from 10% - 14%.

Merit awards applicable to the Municipal Manager and s56 Directors (budget permitting)

Merit awards for the Municipal Manager and s56 Directors' are determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit award. The merit award is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder.

Score / 200	Merit Award for s56 Managers
130 to 141 (65% - 70%)	1% of total annual remuneration package
142 to 149 (71% - 74%)	2% of total annual remuneration package
150 to 161 (75% - 80%)	3% of total annual remuneration package
162 to 165 (81 – 82%)	4% of total annual remuneration package
166+ (83% +)	5% of total annual remuneration package

Performance Bonuses applicable to Middle Managers

Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's at 100 points and Leading Competencies at 100 points but reflected finally as an 80:20 ratio and a final rating out of 100 points taking the weightings into consideration. Bonuses are awarded according to the following sliding scale – achieved by doubling the score out of 100 as calculated by the PMS Facilitator, so as to reflect a total out of 200 – applicable to the rating scale.

In order for Middle Managers to qualify for a performance bonus, the ratings of all panellists are required to be consolidated and changed by the Performance Management into averaged scores (representative of the entire panel) for the KPA's. Leading competencies are evaluated and rated by the incumbent, the immediate supervisor/manager, member of the Audit Committee and the Performance Management Facilitator.

The assessment panel for middle managers is constituted as follows:

ASSESSMENT PANEL FOR MIDDLE MANAGERS
Director (for relevant Directorate)
Manager (Relevant to Division) being reviewed (self-score and motivation /POE).
PMS Facilitator
Member of the Audit Committee

All Middle Managers are required to prepare and present a Portfolio of Evidence – substantiating claims of performance for each and every Performance Indicator for KPA's and Leading Core Management Competencies (CMC's). This, together with the audit of the Annual Report will validate /authenticate claims of performance – necessary in order to justify/verify the final consolidated score and any applicable bonus.

It must be noted that each KPA is individually weighted according to the level of importance and the amount of emphasis that this KPA would carry within this particular Directorate / Department/Division and position. Between positions and Directorates / Departments the weightings may vary/ differ, depending entirely on the responsibilities of the position itself. The only prescription is that , the total number allocated for the weights of the KPA's is 80%. The remainder of the scorecard adds up to 20% and made up of Core Management Competencies (CMC's). there are three (3) compulsory CMC's and one other, that are required to be evaluated in terms of the PMS policy. The consolidated scores reflecting the 100 points per each and 80:20 ratio are determined by the PMS Facilitator out of 100 total points and then doubled out of 200. Bonuses are applicable as per the following sliding scale:

The sliding scale applicable to Middle Managers' is reflected as follows:

Score / 200	% Bonus of Middle Manager's Basic Salary
130-133	10 % Middle Manager's Basic Monthly Salary
134-137	20% Middle Manager's Basic Monthly Salary
138-141	30% Middle Manager's Basic Monthly Salary
142-145	40% Middle Manager's Basic Monthly Salary
146-149	50% Middle Manager's Basic Monthly Salary
150-153	60% Middle Manager's Basic Monthly Salary
154-157	70% Middle Manager's Basic Monthly Salary
158-161	80% Middle Manager's Basic Monthly Salary
162-165	90% Middle Manager's Basic Monthly Salary
166	100% Middle Manager's Basic Monthly Salary

Merit Awards applicable to middle managers (budget permitting)

Merit awards for middle managers may be determined by assessing performance against required targets. Once performance criteria have been established, performance targets are reviewed regularly. At the end of the financial year, actual performance is compared against the agreed performance targets to determine the magnitude of the merit increase. The merit increase (budget permitting) is calculated as a percentage of the total annual remuneration package of the employee, as indicated in the table hereunder:

Score / 200	Merit Award for Middle Managers
130 to 141 (65% - 70%)	1% of Basic Monthly Salary package
142 to 149 (71% - 74%)	2% of Basic Monthly Salary package
150 to 161 (75% - 80%)	3% of Basic Monthly Salary package
162 to 165 (81 – 82%)	4% of Basic Monthly Salary package
166+ (83% +)	5% of Basic Monthly Salary package

Merit Awards applicable to all other staff (TASK Level 14 and below)

It is the intention to roll out the award of Performance Bonuses to all other staff providing the required criteria are met. This will be implemented by agreement over time. In accordance with this, all other staff will only be eligible to achieve a merit award providing they qualify to be assessed in this manner and providing they achieve a stipulated rating during the final review that is applicable to the assessment of annual performance and is detailed in the table that follows.

While this is not a legislated requirement it is important to assess performance throughout the organisation and daily. Using the applicable rating scale of 1 to 5 for achievement on targets as specified in terms of a standardized scorecard, the ratings of all parties to the formal evaluation (the incumbent and the direct supervisor/manager) will be averaged and an average rating for each incumbent will be obtained which will translate to an overall rating that ranges from 1 to 5. A Merit Award Bonus will be applicable in terms of the overall rating that correlates with the scale below – budget permitting:

Group 2 Merit Award Bonus Scale

AVERAGE RATING	MERIT AWARD
5	60% of monthly basic package
4	40% of monthly basic package
3	20% of monthly basic package
2	0%
1	0%

Performance Rewards

Although the Annual Cycle runs from 1 July – 30 June annually, the final formal assessment only occurs after the final approval of the Annual Report and the auditing of the Annual Financial Statements. After auditing these represent verified documents – all detail provided within these documents being recognized as being credible (having been assessed); and

In terms of the PMS Policy, a deserving and qualifying employee may receive a performance bonus, providing the terms and conditions of policy are met. Following the outcomes of the ratings and consolidated scores (from the assessment panel) the final score will be considered against the sliding scale relating to performance bonuses.

Management of Poor Performance

Poor performance is required to be managed on-the-job through performance /behavioural assessment and coaching. Performance/behavioural issues will be handled according to the terms /conditions of any fixed term contract of employment and/or in terms of the applicable Disciplinary and Procedure Code.

Final Reporting: Employee Performance

Final reporting in terms of performance assessments of s56 Directors and others takes place through formal record and is contained with the Performance Report that is submitted to Council.

In the case of the Municipal Manager, these results are submitted to the MEC for Eastern Cape Local Government and the National Minister for Local Government. Institutional Performance Management

The following institutional reporting is required in terms of legislative prescriptions and provides the required information that leads to appropriate action:

Assessment Report	Timeframe	Submitted to	Required by
SDBIP's	Quarterly	Exco	MFMA, Circular 13
Budget Statements	Monthly	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Organizational Scorecard	Quarterly	Exco	PMS Framework
SDBIP Mid-year budget & Performance Assessment	Annually during January each year	Mayor (in consultation with Exco)	S71 & s54 of the MFMA
Performance Report	Annually	Council	S46 of MSA as amended. Incorporated into Annual Report
Annual Report	Annually	Council	Circular 63 and Chapter 12 of the MFMA

Institutional PMS Progress 2022/2023

The following performance reporting targets were appropriately met, in order to meet all aspects of compliance:

- The SDBIP (aligned to the IDP) was developed and tabled to the Mayor 14 days after the budget was approved
- It was submitted timeously to National Treasury and to Provincial Treasury.
- Quarterly SDBIP reports were developed and submitted as required.
- As required the s72, s46 and Annual Report for this period were compiled and submitted as required, and lastly
- During the Audit of the predetermined objectives the municipality received a clean audit from the Auditor General.

Service Provider Reporting

Section 76 b of the MSA states that KPI's should inform the indicators set for every municipal entity and service providers with whom the municipality has entered into a service delivery agreement. Although the Municipality has introduced a performance rating system managed by the Supply Chain Management Unit, the Municipality is also in the process of enhancing the system in order to ensure that it effectively evaluates the performance of the service providers.

The Council and management remain committed to ensuring that all SCM legislation and regulations are complied with in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by Council as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are required to attend National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to SCM.

Various other control measures are also being implemented in order to ensure that SCM practices are affected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

The new Performance Management Policy makes provision for Service Provider/Vendor performance

assessment and reporting. The manner in which this is required to occur is strictly prescribed. To date, while improvements in reporting have occurred it is clear that additional training in this regard is required. Directorates are required to recognize the importance of this reporting and that it is not just in terms of compliance but to ensure effective service delivery on every level and to prevent wasteful, fruitless and irregular expenditure.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Introduction to Workforce Capacity Development

Senqu Municipality continues to place strong emphasis on the development of a well capacitated workforce. This incorporates all efforts to capacitate all Councillors, management and staff. As reflected within the statistics presented below, Senqu Municipality has demonstrated both in the current and preceding years the extent of its commitment to fulfilling all planned training as reflected within the Workplace Skills Plan (WSP). The WSP itself was informed to a large extent by the results of the skills audit, requirements in terms of the IDP objectives and determining the gaps and the developmental needs of Councillors, management and employees.

The WSP for-2022 - 2023 period and was together with all the supporting document submitted to LGSETA by 26 April 2022. This year 's WSP was designed to close the gaps identified through the Job Evaluation process. Reports on the implementation of the WSP are compiled and submitted to the LGSETA. Notwithstanding the successful development of the WSP and its implementation, one has to acknowledge the very real limitations in respect of financial resources. Accordingly, notwithstanding the fact that training and development takes place, it must be acknowledged that this will never be considered to be sufficient in terms of current need.

The training function is centralized, and all related expenditure is authorized by the Director of Corporate Services.

SKILLS DEVELOPMENT AND TRAINING

Comment on Skills Development Expenditure 2022/2023

The institutional training budget:	1 874 076.00
Actual expenditure	1 288 136.84
Variance:	585 939.16

TRAINING EXPENDITURE PER DEPARTMENT 2022/2023	
Municipal Manager's Department	
Budgeted amount	563 475
Amount spent	444 582 .62
Variance:	118 892.38
All the required training programmes were implemented in the Municipal Manager's office.	
Internal Auditing Section	
Budgeted amount	43 661.00
Amount spent	85 707.65
Variance:	-42 046.65
Corporate Services Department	
Budgeted amount	298 734.00
Amount spent	150 926.86
Variance:	147 807.14
Legislators	
Budgeted amount	8 440.00
Amount spent	6 782.61
Variance:	1 657.39
Planning and Development Department	
Budgeted amount	44 159.00
Amount spent	27 954.00
Variance:	16 205.00
Finance Department	
Budgeted amount	367 151.00
Amount spent	182 100.96
Variance:	185 051.00
Traffic Section	
Budgeted amount	68 580
Amount spent	55 860.20
Variance:	12 719.80

TRAINING EXPENDITURE PER DEPARTMENT 2022/2023	
Community Services Department	
Budgeted amount	273 966.00
Amount spent	227 165.34
Variance	46 800.66
Technical Services Department	
Budgeted amount	205 910.00
Amount spent	107 056.60
Variance	98 853.40

Areas of training priority (as reflected in the IDP) for 2022/2023 are reflected as follows:

- Bachelor of Engineering in Civil Engineering
- National Diploma in Civil Engineering
- National Diploma: Office Administration
- Master of Business Administration
- National Certificate: Municipal Integrated Development Planning
- National Diploma in Human Resources Development
- Bachelor of Arts: Social Science
- Diploma in Public Relations
- Postgraduate Diploma: Social Science
- Diploma in Fleet Management
- National Diploma: Public Administration
- National Certificate: Building
- National Certificate in Facilities Management
- Bachelor of Engineering Technology in Electrical Engineering
- Bachelor of Engineering in Civil Engineering
- Further Education and Training Certificate: Community Development: HIV/AIDS
- Higher Certificate: Archives and Record Management
- Advanced Diploma in Environmental Education
- Postgraduate Diploma in Legal Principles Compliance
- Postgraduate Diploma in Internal Auditing
- National Certificate: Social Housing Property Development
- Diploma: Library and Information Science
- Advanced Diploma in Business Administration
- Bachelor of Arts in Environmental Management
- CPMD Programme
- National Certificate: Multi- National Safety and Security Operations Management
- Advanced Certificate: Education: Agriculture
- Occupational Certificate: Library Assistant
- Animal Production
- Contract Management
- Finance for Non-Financial Managers
- Excavator Training
- ADT Training
- Basics of Inventory Operations Training
- Advanced Excel
- SAMTRAC (Construction Health and Safety)
- Branding Management
- Public Administration
- Councillor Development Programme
- Basic Computer Training for Councillors
- Supply Chain Management (Application of Prescripts)
- Electrical Modules 4-7
- Intro to OHS Training
- Strategic and Governance Training

Waste Management
 Municipal Governance
 Electrical Module 0-3
 Advanced Project Management
 TLB Operator Training
 Risk Management
 Advanced Employee Assistance Programme
 Cemetery Management
 Rules and Ethics Training
 MPAC Training
 Public Procurement & Supply Chain Management
 Examiner of Driving Licences e-Natis training and Examiner of Vehicles
 Grader Operator
 Supervisory Skills
 Office Administration
 Advanced Facility Management
 Operational and Programming of Auto Re-Closer
 New Managers Programme
 Recruitment and Selection
 Truck Driver
 Gardening
 Solid Waste Management from Waste to Value
 Advanced Labour Law
 Mechanical Repairs and Maintenance Training
 Basic Plumbing Course
 Public Management
 NC: Ward Committee Governance
 7 FMG interns were employed during the 2022/2023 financial year. They are to be found in the departments of: Finance, Internal Audit.

SKILLS MATRIX 2022/2023

Management Level	Gender	Number of Employee in post as at 30 June 2023	Learnerships			Skills Programme and other Short Courses			Other Forms of Training			Total		
			Actual End of Year June 2022	Actual End of June 2023	Year 2022/2023 Target	Actual End of Year June 2022	Actual End of Year June 2023	Year 2022/2023 Target	Actual End of Year June 2022	Actual End of June 2023	Year 2022/2023 Target	Actual End of Year June 2022	Actual End of June 2023	Year 2022/2023 Target
MM and s56	Female	2	-	-	-	3	2	2	-	-	-	3	2	2
	Male	4	1	1	1	4	3	3	-	-	-	4	3	3
Councillors	Female	12	-	-	-	12	15	15	-	-	-	12	15	15
	Male	16	1	1	1	16	19	19	-	-	-	16	19	19
Senior Managers	Female	10	-	-	-	1	1	1	-	-	-	1	1	1
	Male	13	-	-	-	1	1	1	-	-	-	1	1	1
Technicians	Female	09	-	-	-	2	2	2	-	-	-	2	2	2
	Male	19	-	-	-	2	1	2	-	-	-	2	1	2
Professionals	Female	17	2	2	2	10	8	8	-	-	-	10	8	8
	Male	08	1	1	1	7	6	6	-	-	-	7	6	6
Sub Total	Female	50	2	2	2	28	28	28	-	-	-	28	28	28
	Male	60	3	3	3	30	30	31	-	-	-	30	30	31
Total		110	5	5	5	58	58	59	-	-	-	58	58	59

*Register with professional Associate Body e.g. CA (SA)

FINANCIAL COMPETENCY DEVELOPMENT REPORT 2022/2023						
Description	A Total number of officials employed by municipality (Regulation 14(4) (a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4) (a) and (c))	Consolidated total A & B	Consolidated Competency Assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated Total Number of Officials whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(f))	Consolidated Total Number of Officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting Officer	1		1	1	1	1
Chief Financial Officer	1		1	1	1	0
Senior Managers	4		4	4	4	1
Any other Financial Officials	2		2	2	2	0
SCM Officials	2		2	2	2	0
Heads of SCM Management Units						
SCM Senior Managers						
Total	10		10	10	10	2

Note: The National Treasury template focuses on the financial officials and senior managers/directors only. The information that has been populated in the template this financial year reflects reporting as per the treasury template.

Comment on the Financial Competency Regulations

On 15 June 2007, National Treasury published the Municipal Regulations on Minimum Competency Levels in Government (Gazette No. 29976). These Regulations went on to prescribe the higher education qualifications, work related experience and Financial and Supply Chain Management (SCM) competency areas that were required to be met by all officials of South African municipalities/municipal entities who exercise financial management responsibilities.

The Certificate Programme in Municipal Finance Development was required to be obtained by the following officials to whom the competency level prescriptions apply nationally within local authorities:

Accounting Officers – Municipal Managers.

Chief Financial Officer's (CFO's).

Senior Managers – Executive Directors.

Heads of Supply Chain Management (SCM) Units – Directors: SCM.

Managers of Supply Chain Management Units – Assistant Directors: SCM.

SCM Officials; and

Any other financial officials

Staff Training conducted 2022/2023

Quarter 1	14 employees
Quarter 2	41 employees
Quarter 3	19 employees
Quarter 4	28 employees

Councillor training was conducted as follows:

Quarter 1:	00 Councillors
Quarter 2:	00 Councillors
Quarter 3:	01 Councillors
Quarter 4:	09 Councillors

Community Training Initiatives 2022/2023

Despite training initiatives in the past, it must be noted that the targets for 2022/2023 could not be met, and this can be attributed to number of challenges that were experienced during the procurement of training such as the appointment of training providers, tax compliance issues by some providers etc. However, the few programmes that could not be implemented have been included in the 2023/2024 Workplace Skills Plan.

Most provider were not yet ready to provide the required training onsite as result many trainings delayed or could not take place at all. In addition, there was no funding allocation provision made by the LGSETA from the Discretionary Grant had not been approved by LGSETA for the 2022/2023 period and the reliance during the planning of training interventions was placed on their funding provisions.

Training Committee

The Training Committee met regularly (quarterly) to discuss and decide/approve training related issues. As a consultative forum this committee was comprised of the following representatives:

- Skills Development Facilitator
- Portfolio Head of Corporate Services (Chairperson)
- Director Corporate Services
- Manager: Human Resource, Labour Relations & Legal Services
- IDP Manager
- Manager: Community Services
- Manager: PMU
- HR Officer
- Electrician
- Manager: Revenue
- Manager: Roads
- Manager: Governance & Compliance
- Manager: DTPS
- Manager: Admin and Buildings
- Manager: Waste
- Manager: IGR
- SAMWU Representative (90%)
- IMATU Representation (10%)
- Personal Assistant in Community Service
- Manager: Communications and Political Affairs
- SPU Officer
- Internal Auditor
- IT Manager
- Labour Relations Officer

As required, the Workplace Skills Plan was compiled for the 2022/2023 financial year. This was adopted by Council (after having been signed off by Union).

As required all training that took place, were implemented in terms of the WSP.

SKILLS DEVELOPMENT EXPENDITURE (2022/2023)											
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL		
			BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
Director: Corporate services	Female	1	-	14 000.00	-	14 000.00	-	-	-	-	14 000.00
	Male	0	-	-	-	-	-	-	-	-	-
Corporate services Manager	Female	2	-	14 000.00	-	14 000.00	-	-	-	-	14 000.00
	Male										
Corporate services Professionals	Female	6	-	-	-	35 096.00	-	-	-	-	35 096.00
	Males	1	-	-	-	54 600.00	-	-	-	-	54 600.00
Corporate Services clerks	Male	2	-	-	-	-	-	-	-	-	-
	Female	5	-	-	-	68 700.00	-	-	-	-	68 700.00
Corporate services elementary workers/general workers	Males	2	-	-	-	-	-	-	-	-	-
	Female	10	-	-	-	12 750.00	-	-	-	-	12 750.00
Remaining was for unemployed	Males	0	-	-	-	-	-	-	-	-	-
	Female	1	-	-	-	-	-	-	-	-	-
Director Technical Services	Male	1	-	-	-	-	-	-	-	-	14 000.00

SKILLS DEVELOPMENT EXPENDITURE (2022/2023)

MANAGEMENT LEVEL	GENDER NO.	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL
			ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	
Technical Services technicians	Male	2	-	-	-	39 912.50	-	-	39 912.50
	Female	2	-	-	10 599.00	-	-	10 599.00	-
Technical Services clerks	Males	0	-	-	-	14 610.00	-	-	14 610.00
	Female	2	-	-	-	-	-	-	-
Technical services machine operators and drivers	Males	12	-	-	-	109 280.14	-	-	109 280.14
	Female	0	-	-	-	-	-	-	-
Director Development and Planning	Male	1	-	-	-	14 000.00	-	-	14 000.00
IPME Managers	Males	1	-	-	-	14 000.00	-	-	14 000.00
	Female	2	-	-	-	-	-	-	-
IPME Professionals	Males	5	-	-	-	49 325.00	-	-	49 325.00
	Female	1	-	-	-	-	-	-	-
IPME clerks	Males	0	-	-	-	-	-	-	-
	Female	2	-	-	-	-	-	-	-

SKILLS DEVELOPMENT EXPENDITURE (2021/2022)									
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL
			ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	
Director Community Services	Males	0	-	-	-	-	-	-	-
	Female	1	-	-	14 000.00	-	-	-	14 000.00
Community Services Manager	Female	1	-	-	3 220.00	-	-	-	3 220.00
	Male	1	-	-	-	-	-	-	-
Community Services Professionals	Male	5	-	-	25 391.00	-	-	-	25 391.00
	Female	4	-	-	25 391.00	-	-	-	25 391.00
Community Services Clerks	Male	1	-	-	-	-	-	-	-
	Female	3	-	-	-	-	-	-	-
Community Services Elementary Workers	Female	17	-	-	-	-	-	-	-
	Male	28	-	-	150 993.08	-	-	-	150 993.08

SKILLS DEVELOPMENT EXPENDITURE (2022/2023)										
MANAGEMENT LEVEL	GENDER	EMPLOYEE NO. AS AT THE BEGINNING OF THE FINANCIAL YEAR	LEARNERSHIPS		SKILLS PROGRAMMES AND OTHER SHORT COURSES		OTHER FORMS OF TRAINING		TOTAL	
			ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL
Director Finance	Males	1								
Finance Managers	Male	0			67 765.00					67 765.00
	Female	1			14 183.85					14 183.85
Finance Professionals	Males	3			59 520.42					59 520.42
	Females	4			107 762.34					107 762.34
Finance clerks	Males	1			14 230.39					14 230.39
	Females	3			36 328.95					36 328.95
P Finance Trainees	Male									
	Female									

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Senqu Municipality is required to manage all resources in the most effective manner, and this includes the financial management thereof (i.e. workforce expenditure). In an effort to institute and maintain effective controls (thereby minimizing opportunities to overspend), strict adherence to policy and procedure is required. To this end, no appointments may be made without the appropriate approval and ensuring that the budget is allocated correctly.

Accordingly:

- Budgets are strictly controlled and over and/or under expenditure is reported on regularly (via monthly reporting);
- Staff appointments are made strictly in accordance with the relevant legislation and/or policy agreements; and
- Staffing issues rely on forward planning and ensuring that the correct appointments to the relevant post are made.

EMPLOYEE EXPENDITURE

Trends on total personnel expenditure (2022 - 2023)

FINANCIAL YEARS	TOTAL APPROVED OPERATING BUDGET	PERSONNEL EXPENDITURE (SALARY AND SALARY RELATED)	PERCENTAGE OF EXPENDITURE
2020 - 2021	244 806 062	99 890 943	40.08%
2021-2022	318 903 523	123 961 044	38.87%

• Comment on Workforce Expenditure

The 2021/2022 period was characterized by an increase in personnel expenditure when compared with the previous period (2020/2021) i.e., 41.88% to 40.08%.

Disclosures of Financial Interest (Refer Appendix J)

Reference is made to Appendix J which details all information as required.

Chapter 5: FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL PERFORMANCE

As the global economic uncertainty and rising costs places inflationary pressure on the municipality, due care is exercised in order to ensure that effective financial management is maintained. In this regard, every effort is made to ensure that systems and procedures are in place to ensure that there are sound fiscal controls and an environment that promotes effective financial management and minimizes fruitless and wasteful expenditure. In addition, the municipality takes appropriate steps to ensure that operations are properly controlled – thereby maintaining efficient and effective service delivery to our consumers.

The 2022/2023 financial year has been quite successful for Senqu Municipality in so far as financial management and proven financial sustainability is concerned, as has been the case in the previous years. The municipality's 2021/22 Approved Budget is funded with sufficiently cash-backed reserves, provisions and all liabilities including the long-term. The municipality was able to achieve an operating surplus of R36.4 million which decreased from R64.1 million in the 2021/22 financial year, as a result of accelerated operating expenditure. In addition, the municipality has over the years consistently maintained a favorable financial position through funded reserves which is kept in investment deposits to the tune of R497 million as at the end of 2022/23 financial year.

Subsequent to the delayed 2021/22 audit which was due to a dispute matter, its ultimate finalization in August 2023 saw the municipality regressing to an unqualified audit opinion with material non-compliance findings for the 2021/22 financial year. This audit opinion regression came after eight years in succession of clean audit opinions. The municipality, through various efforts in strengthening of controls and implementation of improvement plans, received once again an unqualified audit opinion with no findings for the 2022/23 financial year which makes it the ninth clean audit opinion in the last ten years.

All aspects relating to mSCOA preparation are being incorporated within Senqu Municipality and its operating systems – ensuring that the financial and support systems integrate with mSCOA requirements and performance reporting. With the introduction of GRAP, information has become more readily available and this allows information to be presented correctly in most instances. That being said, difficulties are experienced in respect of information required for property, plant and equipment, inventory, external valuations of employee benefits and tip site provisions. Regular reporting and reporting of compliant and useful information is required from each directorate and should be regarded as mandatory – which it is. This information is critical for all other reporting and should be readily available at all times.

While specific detail on all aspects of finance are provided within the schedules attached, a simple set of standard practices are required in order to ensure that required information is provided in a useful manner.

STANDARD PRACTICES TO FACILITATE ACCURATE INFORMATION PROVISION

- It is required that there is compliance regarding all reporting and in particular regarding the predetermined objectives - ensuring that they are written in accordance with the SMART principles.
- Issues identified in terms of the Audit Action Plan are required to be addressed and appropriate "follow ups" conducted.
- The Internal Audit and Audit Committee are required to work together in order to review the Strategic



CHAPTER 5

FINANCIAL PERFORMANCE

and Annual Performance Plans – ensuring that these are correctly addressed, and that appropriate and valuable reporting occurs.

- The quality of quarterly and monthly reports is to be assessed and suitable and timeous action taken to rectify issues identified (financial, pre-determined targets or otherwise). Oversight from managers and the Internal Audit/Audit Committee is required; and
- Zero tolerance will be implemented in respect of unauthorised, irregular, fruitless and/or wasteful expenditure and in respect of the potential qualification, due to the failure to detail and report on predetermined objectives and National Treasury views on non-priority spending.

FINANCIAL INDICATORS

The following dashboard information and tables indicate the municipality’s performance in terms of National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas.

As an overall assessment, the following indicators are highlighted:

FINANCIAL INDICATORS	2021/2022	2022/2023
Capital charges to Operating Expenditure	12%	12%
Liquidity: times	8.5	7.7
Repairs and maintenance	3%	2%
Creditors Payment Period	6 days	14 days
IDP REGULATION FINANCIAL VIABILITY FIGURES		
Debt Coverage	115.5 times	133.6 times
Outstanding Service Debtors	129.2%	153.6%
Cost Coverage	19 months	19 months

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Financial Performance are reflected in the tables that follow.

Note: Reference is made to Appendix K in which “Statements of Revenue Collection Performance by Vote and by Source” are included.

This component provides an overview of financial performance of the municipality and focuses on its financial health.

Statements of Financial Performance – 2022/2023 in comparison with previous financial year 2021/2022 Actuals

SENQU LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2023			
		2023	2022
		R	R
	Notes	(Actual)	(Actual)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		248 818 637	223 928 227
Taxation Revenue		17 330 716	15 497 080
Property Rates	20	17 330 716	15 497 080
Transfer Revenue		223 217 310	204 133 510
Transfers and Subsidies – Capital	21	34 365 765	24 571 877
Transfers and Subsidies – Operating	21	188 851 545	179 561 633
Other Revenue		8 270 612	4 297 636
Actuarial Gains	17	4 671 529	11 296
Fines Penalties and Forfeits	22	915 394	2 084 302
Insurance Receipts		-	-
Interest Earned - Penalty Interest on Property Rates	26	1 720 263	1 201 133
Gain on Fair Value Adjustments of Investment Property	8	963 425	820 500
Gain on Disposal of Capitalised Restoration Cost (PPE)	18	-	180 405
REVENUE FROM EXCHANGE TRANSACTIONS		95 243 482	82 635 955
Operating Activities		95 243 482	82 635 955
Service Charges	23	53 643 060	57 104 457
Rental from Fixed Assets	24	1 475 736	1 482 076
Interest Earned - external investments	25	32 208 528	17 805 824
Interest Earned - outstanding debtors	26	4 751 626	3 075 152
Licences and Permits	27	1 300 733	1 255 686

Agency Services	28	1 204 135	1 200 192
Sales of Goods and Rendering of Services	29	110 377	161 519
Operational Revenue	30	549 287	551 051
TOTAL REVENUE		344 062 120	306 564 182

Statements of Financial Performance – 2022/2023 in comparison with previous financial year 2021/2022 Actuals (Continues from the previous page)

SENQU LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2023			
		2023	2022
		R	R
Notes		(Actual)	(Restated)
EXPENDITURE			
Employee related costs	31	124 615 650	112 975 676
Remuneration of Councillors	32	12 975 962	12 761 110
Debt Impairment	33	16 641 103	12 678 672
Depreciation and Amortisation	34	16 992 088	17 181 028
Impairment Loss	35	314 017	-
Actuarial Losses	17	-	346 880
Finance Charges	36	5 397 454	4 365 877
Bulk Purchases	37	45 498 755	44 034 167
Contracted services	38	31 251 097	30 337 821
Transfers and Subsidies	39	42 055	42 055
Operating Leases	40	550 203	447 001
Operational Cost	41	40 917 381	33 937 217
Loss on Disposal of Assets	42	833 099	389 165
Inventory Loss		3 142	783
TOTAL EXPENDITURE		296 032 005	269 497 452
NET SURPLUS FOR THE YEAR		48 030 115	37 066 730

During the financial year 2022/2023 Senqu Municipality achieved an operating surplus of R 48 030 115 as compared to R 37 066 730 in the prior year. Actual results as compared with planned budget outcomes can be observed in the table that follows with explanations provided for material variances.

Statements of Financial Performance: Budget Comparisons Operating Revenue

SENQU LOCAL MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2023				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET				
	2023	2023	2023	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
REVENUE BY SOURCE				
Property rates	17 330 716	16 190 081	1 140 635	7%
Service charges	53 643 060	61 579 954	(7 936 894)	-13%
Rental of facilities and equipment	1 475 736	1 813 681	(337 945)	-19%
Interest earned - external investments	32 208 528	22 599 080	9 609 448	43%
Interest earned - outstanding debtors	6 471 889	6 071 378	400 511	7%
Fines, penalties and forfeits	915 394	70 368	845 026	1201%
Licences and permits	1 300 733	1 351 293	(50 560)	-4%
Agency services	1 204 135	1 513 323	(309 188)	-20%
Transfers and Subsidies - Operating	188 851 545	191 732 022	(2 880 477)	-2%
Other revenue	6 294 619	863 632	5 430 987	629%
TOTAL OPERATING REVENUE	309 696 355	303 784 812	5 911 543	
EXPENDITURE BY TYPE				
Employee related costs	124 615 650	123 628 858	986 791	1%
Remuneration of councillors	12 975 962	16 196 263	(3 220 301)	-20%
Debt impairment	16 641 103	14 194 619	2 446 484	17%
Depreciation & asset impairment	17 306 105	18 112 769	(806 664)	-4%
Finance charges	5 397 454	3 450 678	1 946 776	56%
Bulk purchases	45 498 755	51 842 521	(6 343 766)	-12%
Inventory consumed	-	20 948 374	(20 948 374)	-100%
Contracted services	31 251 097	47 171 308	(15 920 211)	-34%
Transfers and subsidies	42 055	42 055	-	0%
Other expenditure	41 467 584	41 372 373	95 211	0%
Losses	836 241	2 200 000	(1 363 759)	100%
TOTAL OPERATING EXPENDITURE	296 032 005	339 159 818	(43 127 813)	

NOTE: Operating Revenue earned at end of the financial year shows a positive variance of R5 911 543 as compared to the final budget. This can be attributed to the higher Interest on investment that was

realised due to a significantly high interest rates as compared to the initial estimates, as well as the other revenues which exceeded the budget.

Note: The operating expenditure came in at a variance of R43 127 813 due to under-expenditure. This may be directly attributable to a Cost Containment Strategy that was implemented which reduced expenditure across the categories of expenses as well as the under-expenditure of the budget of Bulk Purchases due to significant loadshedding experienced during the financial year.

Expenditure Authorised in Terms of Section 32 of the MFMA

- Unauthorised Expenditure

During the 2022-2023 financial year, no unauthorised expenditure was incurred by Senqu Local Municipality.

Budget comparison by vote - unauthorised expenditure current year – operating

Unauthorised expenditure – Operating	2023 (Actual)	2023 (Final Budget)	2023 (Unauthorised)
	R	R	R
Executive & Council	34 243 866	37 227 445	-
Planning & Development	21 238 611	23 438 456	-
Corporate Services	36 707 277	43 814 342	-
Budget & Treasury	41 044 833	49 495 202	-
Road Transport	30 999 496	36 462 988	-
Waste Water Management	7 353 654	7 479 195	-
Community & Social Services	19 143 989	19 411 185	-
Sport & Recreation	1 462 430	1 717 476	-
Public Safety	207 424	1 196 338	-
Electricity	66 635 848	78 573 099	-
Waste Management	36 994 577	40 344 092	-
Total	296 032 005	339 159 818	

Budget comparison by vote - unauthorised expenditure current year (capital)

Unauthorised expenditure – Capital	2023 (Actual)	2023 (Final Budget)	2023 (Unauthorised)
	R	R	R
Executive & Council	775 813	1 600 000	-
Corporate Services	1 033 879	9 833 309	-
Budget & Treasury	1 307 331	1 575 000	-
Road Transport	10 649 082	24 427 838	-
Waste Water Management	770 989	3 640 000	-
Community & Social Services	9 031 589	16 536 998	-
Sport & Recreation	310 448	357 016	-

Public Safety	196 605	1 070 000	-
Electricity	130 321	2 257 284	-
Waste Management	11 373 329	16 379 767	-
Total	35 579 388	77 677 212	

Expenditure Authorised in Terms of Section 32 of the MFMA Fruitless & Wasteful Expenditure

Fruitless and Wasteful expenditure for the financial year (2022/2023) amounted to R 2 023 681 and R 160 553 was incurred during the previous financial years. An increase was therefore noted between the previous financial year as compared with the current year.

INCIDENT	DISCIPLINARY STEPS/ CRIMINAL PROCEEDINGS	2023	2022
Penalties paid – Dept. Transport	Investigation completed	23 665	25 648
Interest paid to SARS	Not yet started	15 420	-
Interest paid to SALA Pension Fund	Not yet started	24 042	-
Advance payment to contractor	Not yet started	1 800 000	-
TOTAL		1 863 127	25 648

Irregular Expenditure

Irregular expenditure increased from R 38 239 511 to R 59 550 856 during the 2022/2023 financial year. The amount of R 21 311 345 for 2022/23 and R7 528 016 for 2021/22 identified as Deviations from Supply Chain Regulations and Policies relates to procurement that did not follow the supply chain prescripts but was detected via the municipal internal control system.

GRANTS

IRREGULAR EXPENDITURE CONSISTS OUT OF THE FOLLOWING	2023	2022
Deviations from Supply Chain Regulations and Policies - Disciplinary processes have not been initiated.	21 311 345	7 528 016
Total	21 311 345	7 528 016

APPENDIX E DISCLOSURE OF TRANSFERS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2023									
	OPENING BALANCE	GRANTS RECEIVED	INTEREST ON INVESTMENTS	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	FUNDS RE-TURNED TO NT	CLOSING BALANCE	R	R
NATIONAL GOVERNMENT									
Equitable Share	-	177 125 000	-	177 125 000	-	-	-	-	-
Municipal Finance Management Grant	-	1 650 000	-	1 650 000	-	-	-	-	-
Municipal Infrastructure Grant	8 283 405	37 385 000	-	6 351 741	34 365 765	-	4 950 899	-	-
NDPG (Neighborhood Development Partnership Grant)	2 010 056	-	-	-	-	-	2 010 056	-	-
EPWP (Expanded Public Works Program)	-	1 658 000	-	1 658 000	-	-	-	-	-
Total	10 293 461	217 818 000	-	186 784 741	34 365 765	-	6 960 955	-	-
PROVINCIAL GOVERNMENT									
Prov Gov - Housing (Hillside)	232 651	-	-	-	-	-	232 652	-	-
Herschel People's Housing	11 950 704	-	771 874	-	-	-	12 722 578	-	-
Libraries	-	1 500 000	-	1 500 000	-	-	-	-	-
EPWP (Expanded Public Works Program)	566 804	-	-	566 804	-	-	-	-	-
Greenest Municipality	458 545	300 000	-	-	-	-	758 545	-	-
Municipal Disaster Relief Grant	13 208 704	8 200 000	771 874	2 066 804	-	-	20 113 776	-	-
Total	23 502 167	226 018 000	771 874	188 851 545	34 365 765	-	27 074 731	-	-
ALL SPHERES GOVERNMENT									

Comments regarding Grant Funding

It is noted that the municipality forfeited R6.25 million of the MIG funding allocation to National Treasury due to low spending by December 2022.

ASSET MANAGEMENT

Introduction to Asset Management

The Municipal Finance Management Act No. 56 of 2003 clearly states in Section 62[1][a] that the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively efficiently and economically.

It is acknowledged that an Accounting Officer of a municipality is responsible for the management safeguarding and maintenance of assets and liabilities and must for this purpose take all reasonable steps to ensure that the municipality has and implements the following:

Maintains a management accounting and information system that accounts for the assets and liabilities of the municipality;

Ensures that assets and liabilities are valued in accordance with the standards of Generally Recognised Accounting Practice; and

Maintains a system of internal control of assets and liabilities including an Asset and Liabilities Register.

Roles & Responsibilities

- Role of the Municipal Manager**

As the Accounting Officer of the municipality, the Municipal Manager is regarded as the principal custodian of the entire municipality's fixed assets. Accordingly, the Municipal Manager is responsible for ensuring that the Fixed Asset Management Policy is scrupulously applied and adhered to. The Municipal Manager may in terms of section 79 of the Municipal Finance Management Act No 56 of 2003 delegate this responsibility.

Role of the Senior Managers

- Chief Financial Officer**

The Chief Financial Officer shall control the Fixed Asset Register of the municipality and is required to ensure that a complete accurate and up-to-date computerized fixed asset register is maintained. No amendments, deletions, additions or transfers between departments to the Fixed Asset Register shall be made other than by the Chief Financial Officer or by an official acting under the written instruction of the Chief Financial Officer.

The Chief Financial Officer shall:

- Ensure implementation of the Asset Management and Insurance Policy;
- Ensure the verification of all assets in possession of council annually as at 30 June each year within the last three months of that specific financial year;
- Keep a complete and balanced record (assets register) of all assets in possession of the council; and

- Report in writing on all asset losses to the council.
- Other Senior Managers

The responsibility for the physical control of assets rests with the relevant Head of Department to whom the responsibility was delegated in terms of section 79 of the Municipal Finance Management Act No 56 of 2003;

Each Head of Department shall ensure that assets entrusted to him / her are adequately maintained properly used and insured and ensure that section 78 of the Municipal Finance Management Act no 56 of 2003 is adhered to;

The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant heads of departments are made.

Upon the resignation / retirement of an employee the applicable Head of Department must inform the Chief Financial Officer and Corporate Service Department in writing that the inventory and asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary, the applicable Head of Department must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Head of Department.

Although capacity within the municipality's asset management section is limited due to the size of the municipality, capacitation programmes have been identified and increased internal control over assets is observed. This clearly shows the commitment from management to ensure that capacity is improved.

Additions during the financial year for capital assets amounted to **R35 317 128** which include the following categories of assets as reflected in the following table. Note: This does not include intangible assets (not included in the table below).

Capital Assets 2022/2023

30 June 2023	Additions	R
Land and Buildings		7 539 937
Buildings		7 539 937
Infrastructure		19 914 423
Roads		8 558 015
Stormwater		-
Solid Waste		11 226 086
Electricity		130 321
Community Assets		5 323 029
Sport Field		310 448
Node Development		-
Parks & Gardens		-
Cemetery		4 815 976
Other		196 605
Other Assets		2 539 739
Plant & Equipment		147 243
Motor Vehicles		646 492
Office Equipment		111 592
Furniture & Fittings		180 146
Computer Equipment		1 454 265
Total		35 317 128

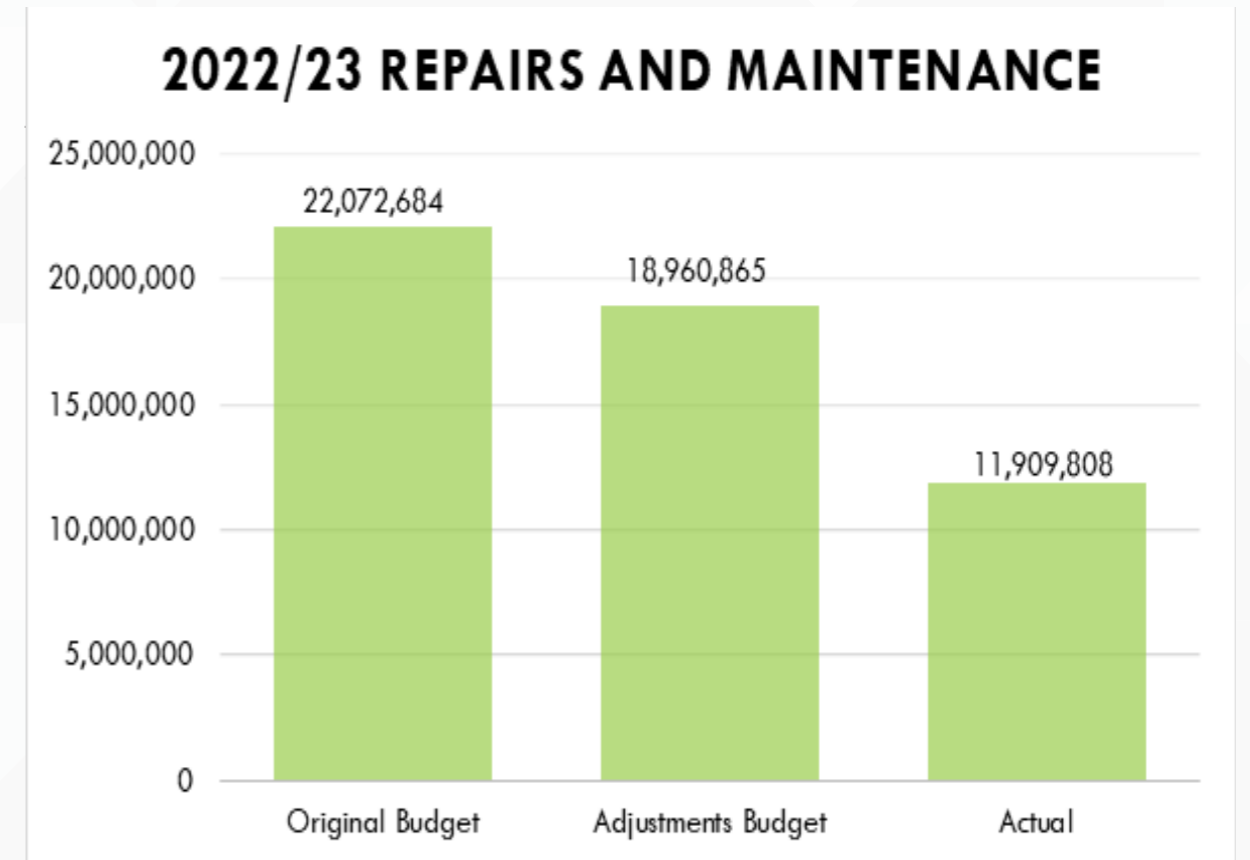
Table: Schedule A9 Asset Management Summary Sheet

	2021/22		Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		Budget Year +1 2024/25	Budget Year +2 2025/26
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	'000		
ASSET REGISTER SUMMARY - PPE (WDV)	5							
Infrastructure - Road transport	116 123	134 158	124 176	124 176	136 036	159 028	197 929	
Infrastructure - Electricity	25 033	26 431	25 820	25 820	26 154	29 887	35 458	
Infrastructure - Other	99 870	129 658	118 804	118 804	127 864	139 081	161 366	
Infrastructure	241 027	290 247	268 800	268 800	290 054	327 997	394 753	
Community	56 659	90 370	72 095	72 095	80 493	88 585	86 566	
Investment properties	46 309	45 488	46 309	46 309	46 309	46 309	46 309	
Other assets	113 756	114 938	119 370	119 370	128 810	142 760	141 668	
Intangibles	128	64	66	66	2 072	2 405	2 336	
Computer Equipment	1 517	1 808	2 117	2 117	2 689	3 127	2 817	
Furniture and Office Equipment	1 064	3 097	1 561	1 561	1 597	1 220	788	
Machinery and Equipment	16 351	15 393	19 971	19 971	34 329	39 906	43 261	
Transport Assets	5 350	7 325	10 550	10 550	16 534	20 855	22 383	
Land	29 776	29 776	29 779	29 779	29 779	29 779	29 776	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	511 937	598 506	570 615	570 615	632 664	702 940	770 655	

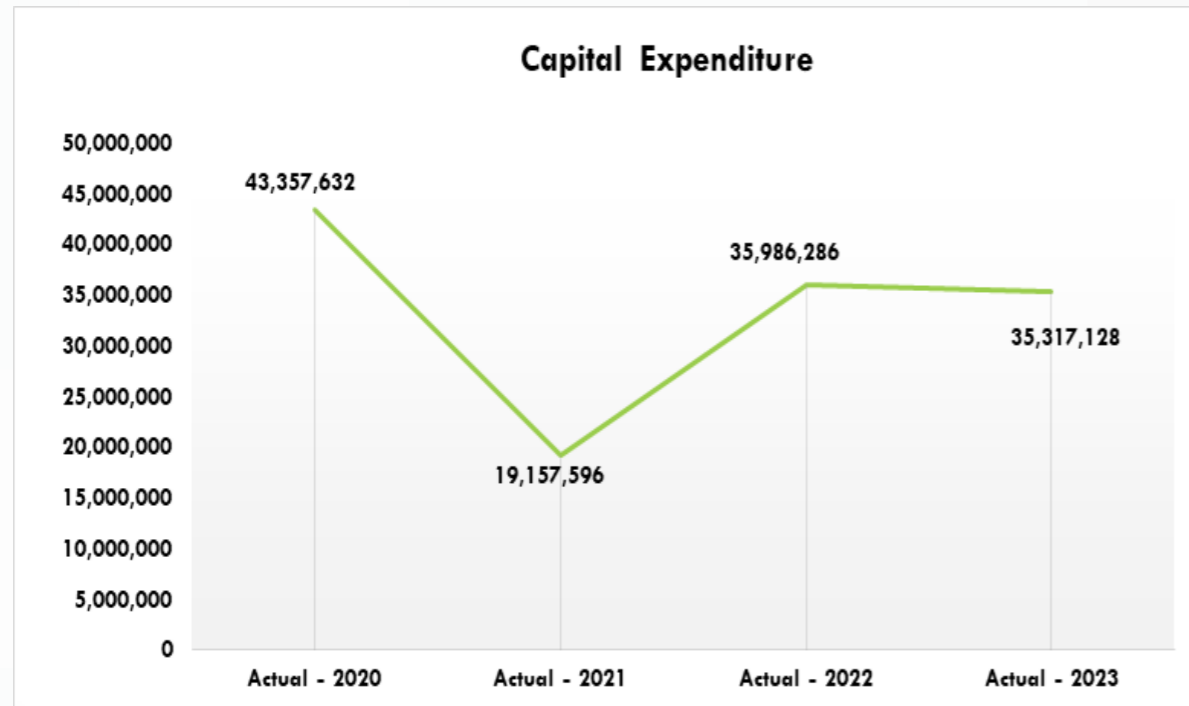
Repairs & Maintenance (2022/2023)

Repairs and Maintenance Expenditure Year June 2023				
R'000				
Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance %
Totals	22 073	18 961	11 909	37.2%

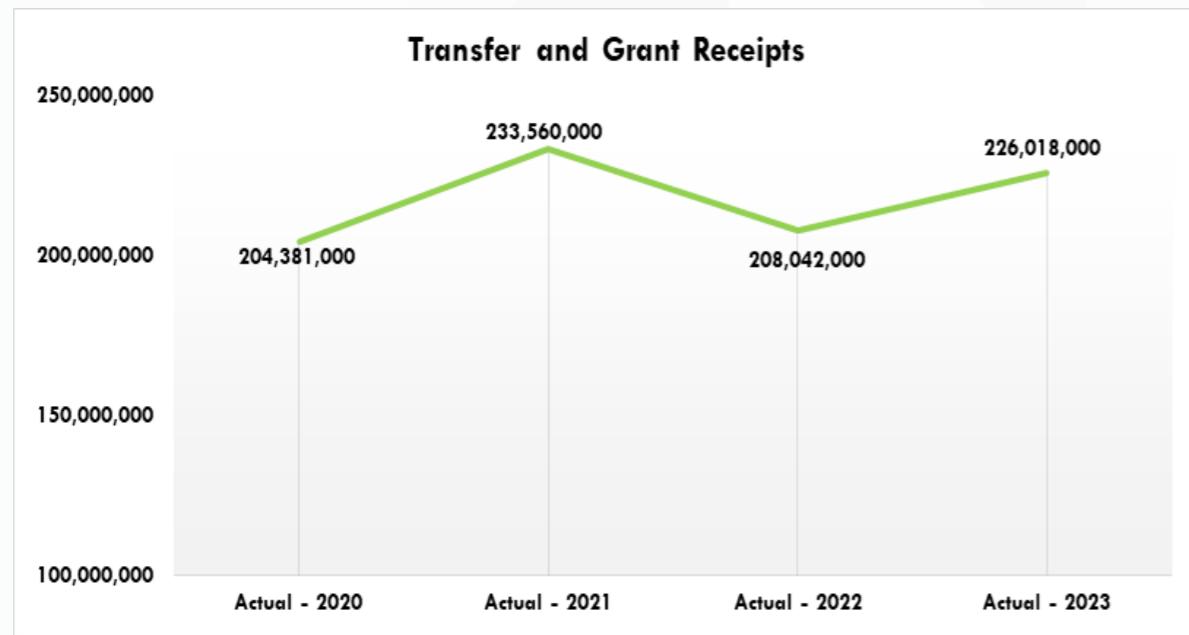
Comments on Repairs and Maintenance:



FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

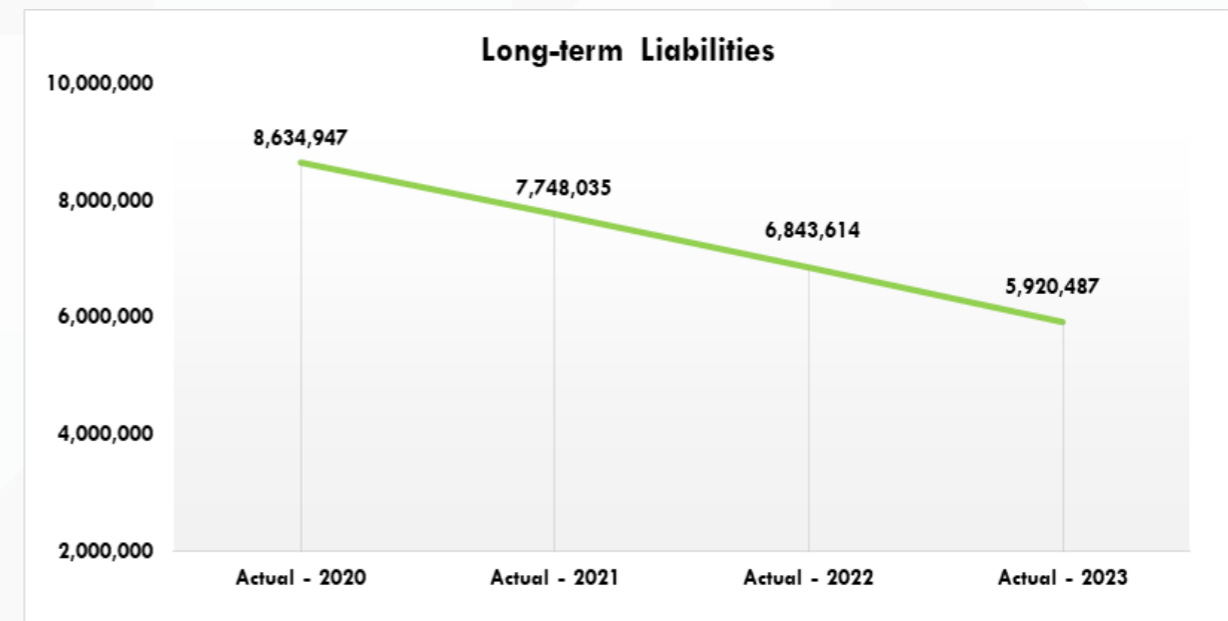
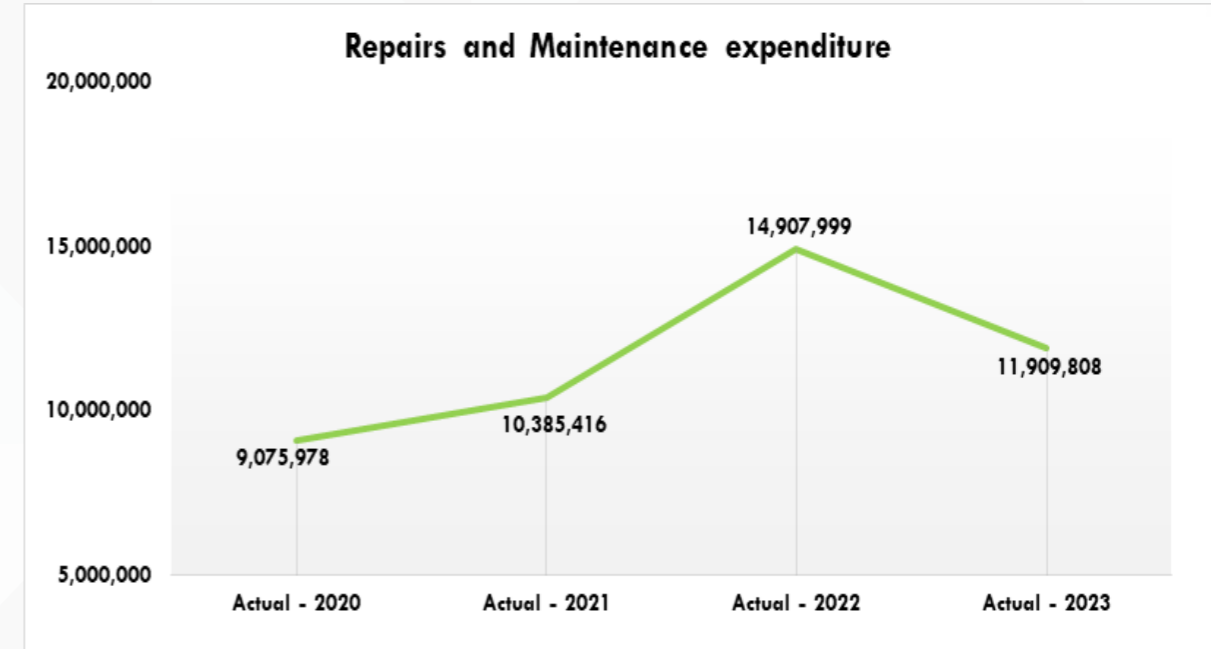


The Graph above shows the movement of Capital Expenditure from the financial year 2019-2020 to the financial year 2022-2023.



The Graph above shows the estimated increase of total grant receipts for Senqu Municipality from the financial year 2019-2020 to the financial year 2022-2023.

The Graph below show the movement of expenditure for repairs and maintenance from the financial year 2021-2022 to the financial year 2022-2023.



Long term liabilities are expected to decrease within the future financial period as initial loans are redeemed and no additional loans are expected to be undertaken.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

In this regard it must be noted that:

Capital expenditure relates mainly to construction projects that will have lasting value over many years; and

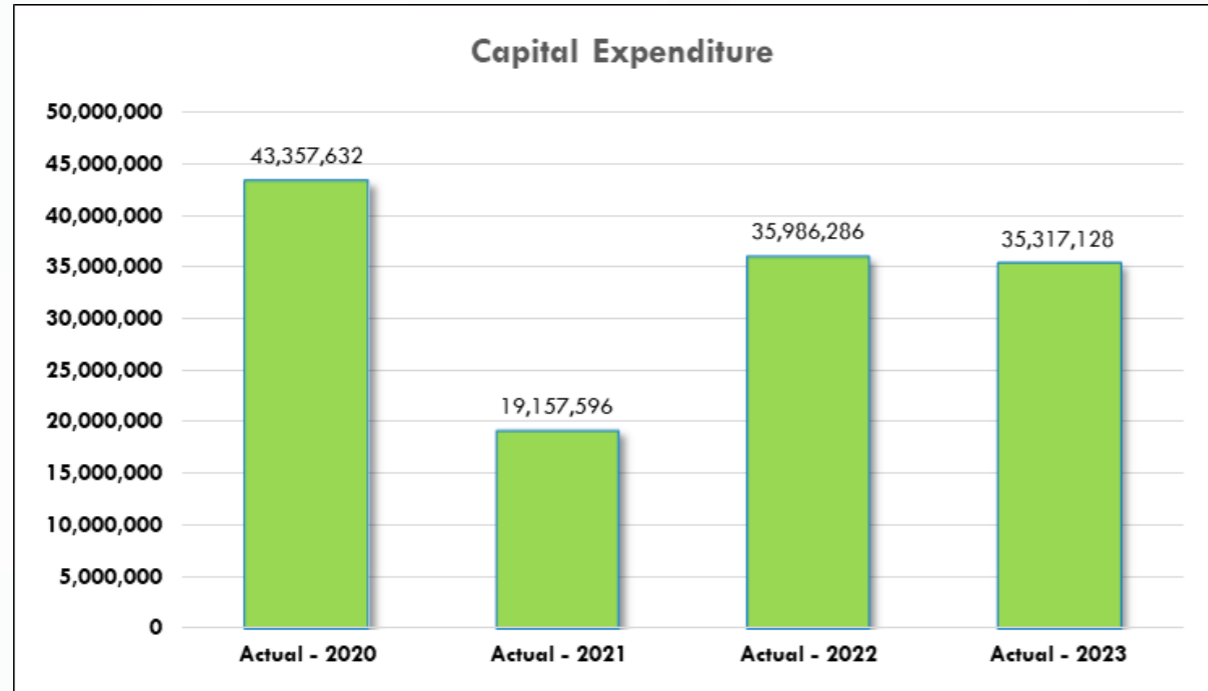
Capital expenditure is funded from grants and the municipality's Capital Replacement Reserve

Table: Senqu Municipality's Capital Acquisition Programme

Description	2021/22		Current Year 2022/23			2022/23 Medium Term Revenue & Expenditure Framework		
	Actual 2021/22 '000	Original Budget '000	Adjusted Budget '000	Full Year Forecast '000	Budget Year 2023/24 '000	Budget Year +1 2024/25 '000	Budget Year +2 2025/26 '000	work '000
R thousand								
CAPITAL EXPENDITURE								
Roads Infrastructure	3 267	17 108	12 857	12 857	20 665	32 009	48 152	
Storm water Infrastructure	2 160	5 640	3 640	3 640	7 200	10 600	5 000	
Electrical Infrastructure	1 173	1 880	2 197	2 197	1 800	5 259	7 157	
Solid Waste Infrastructure	16 473	17 340	15 917	15 917	5 400	4 160	20 843	
Infrastructure	23 073	41 968	34 611	34 611	35 065	52 027	81 151	
Community Facilities	6 070	16 037	29 974	29 974	10 820	4 300	600	
Sport and Recreation Facilities	-	2 500	357	357	-	6 310	-	
Community Assets	-	18 537	30 331	30 331	10 820	10 610	600	
Operational Buildings	1 652	7 778	4 594	4 594	10 450	15 000	-	
Other Assets	-	7 778	4 594	4 594	10 450	15 000	-	
Licences and Rights	-	-	-	-	2 070	400	-	
Intangible Assets	-	-	-	-	2 070	400	-	
Computer Equipment	316	1 000	1 300	1 300	1 300	1 195	478	
Furniture and Office Equipment	290	860	910	910	466	69	33	
Machinery and Equipment	4 076	1 552	5 498	5 498	16 311	7 608	5 467	
Transport Assets	-	1 600	5 600	5 600	6 400	4 753	1 977	
TOTAL CAPITAL EXPENDITURE - Asset class	35 477	73 295	82 844	82 844	82 881	91 663	89 705	

CAPITAL EXPENDITURE

The following graph indicates the Capital Expenditure from the financial year 2019-2020 to the financial year 2022-2023.



Total Capital Expenditure 2022/2023

SOURCES OF FINANCE

The table below shows the sources of finances to be used for Capital Acquisitions for Senqu Municipality excluding VAT. It must be noted that the municipality mainly uses the MIG Grant Funding and its Capital Replacement Reserves to fund capital acquisitions:

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2023	BUDGET ADJUSTMENTS 2023	FINAL BUDGET 2023	ACTUAL OUTCOME 2023	BUDGET VARIANCE 2023	RESTATED OUTCOME 2022
	R	R	R	R	R	R
CAPITAL EXPENDITURE (FUNDING SOURCES)						
National Government	37 947 826	117 319	38 065 145	29 883 274	(8 181 871)	24 571 877
Provincial Government	-	-	-	-	-	-
Transfers recognised - capital	37 947 826	117 319	38 065 145	29 883 274	(8 181 871)	24 571 877
Internally generated funds	35 347 374	4 264 692	39 612 066	5 696 114	(33 915 953)	11 414 409
Total Capital Funding	73 295 200	4 382 011	77 677 211	35 579 388	(42 097 824)	35 986 286

CAPITAL SPENDING ON PROJECTS

The following table details the infrastructure assets and related progress through expenditure on these assets during the financial year 2022 /2023.

INFRASTRUCTURE ASSETS 2022/2023	EXPENDITURE R
Herschel - Solid Landfill Site	1 667 798
Rossouw - Solid Landfill Site	5 542 916
Lady Grey Solid Waste Site	4 015 372
Renew of Transwilger Bridge Ward 14	1 333 932
New Rest Paving Ward 8	3 003 065
Lining fencing and upgrading of primary storm water channel through Khwezi Naledi - and upgrade of two motor bridges	770 989
Interlock Paved Street in Kwezi Naledi - Ward 14	3 450 029
Pre-Paid Electricity Meters	130 321
Renovation town hall Barkly East	3 021 689
Installation of Electrical Fencing at Mayoral House and Fleet Yard	462 268
Driving License and Testing Centre Sterkspruit	2 862 056
Herschel Community Hall - Ward 13	1 193 924
Barkly East Cemetery	4 815 976
Blue-Gums Sportsfield	310 448
Barkly East & Lady Grey Boundary Fence	196 605
TOTAL	32 777 389

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Having displayed excellent financial management and investment practices it must be noted that the municipality is currently experiencing an extremely favourable cash flow and finds itself in a position to meet its long- and short-term commitments in a timely manner. It must be noted that the Council of the municipality is regarded as the trustee of the public revenue that it collects and it therefore has an obligation to the community to ensure that the municipality's cash resources are effectively and efficiently managed. Under these circumstances the Council has a responsibility to invest these public revenues knowledgeably and judiciously and must be able to account fully to the community in respect of these investments. The overall responsibility of investments lies with the Municipal Manager. However, it must be noted that the day-to-day handling of investments remains the responsibility of the Chief Financial Officer or his delegates.

As part of the Cash Management Programme, the Chief Financial Officer prepares an annual estimate of the municipality's cash flow divided into calendar months and updates these estimates on a monthly

basis. These estimates shall indicate when and for what periods and amounts surplus revenues may be invested; when and for what amounts investments will have to be liquidated and when (if applicable) either long-term or short-term debt must be incurred.

CASH FLOW

The table that follows will detail comparisons regarding Senqu Municipality' cash flow for 2022/2023 financial year:

SENQU LOCAL MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2023				
	2023	2023	2023	
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	13 342 325	12 006 991	1 335 334	10%
Service charges	48 290 229	45 669 317	2 620 912	5%
Other revenue	5 605 946	9 646 384	(4 040 438)	-72%
Government – operating	184 102 250	189 064 739	(4 962 489)	-3%
Government – capital	41 915 750	30 883 261	11 032 489	26%
Interest	32 980 402	22 599 080	10 381 322	31%
Payments				
Suppliers and Employees	(249 334 198)	(289 218 259)	39 884 061	-12%
Finance charges	(610 062)	(3 450 678)	2 840 616	-466%
Transfers and Grants	(42 055)	(42 055)	-	-100%
NET CASH FROM OPERATING ACTIVITIES	76 250 588	17 158 779	59 091 808	

CASH FLOW Cont. from previous page

SENQU LOCAL MUNICIPALITY				
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS				
CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2023				
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET	2023	2023	2023	
	R	R	R	
	(Actual)	(Final Budget)	(Variance)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	0%
Payments				
Capital assets	(35 579 389)	(77 677 212)	42 097 823	-118%
NET CASH USED IN INVESTING ACTIVITIES	(35 579 389)	(77 677 212)	42 097 823	
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Increase in consumer deposits	64 090	194 680	(130 590)	-204%
Payments				
Repayment of borrowing	(916 507)	(904 130)	(12 377)	1%
NET CASH USED IN FINANCING ACTIVITIES	(852 417)	(709 450)	(142 967)	
NET INCREASE/(DECREASE) IN CASH HELD	39 818 782	(61 227 882)	101 046 665	
Cash and Cash Equivalents at the beginning of the year	458 013 042	458 013 042	-	0%
Cash and Cash Equivalents at the end of the year	497 831 824	396 785 160	101 046 665	20%

BORROWINGS AND INVESTMENTS

Borrowings

The Municipality currently has two (2) long-term borrowing commitments, and both are payable to the Development Bank of South Africa.

One loan relates to the extension of the Senqu Municipality office building and the second loan relates to the purchase of electrical infrastructure in order to reduce electricity losses and improve service delivery.

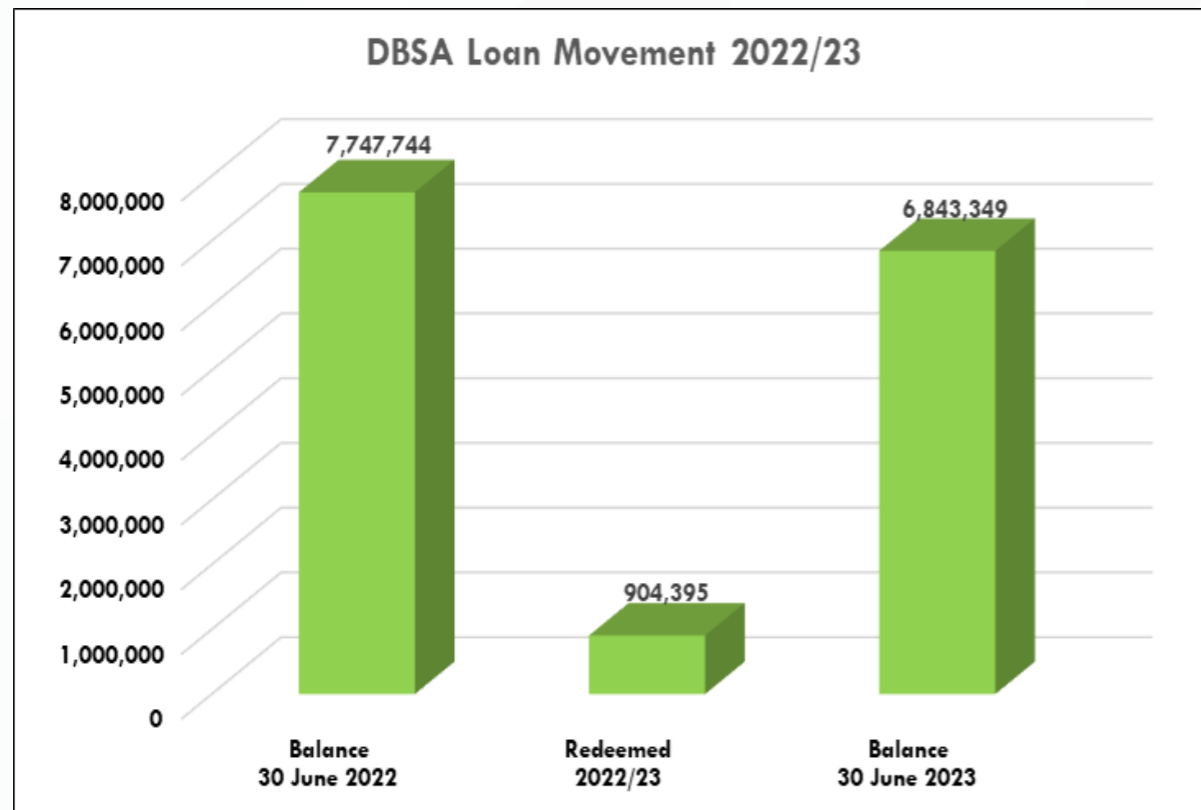


Table: DBSA LOAN MOVEMENTS 2022/2023

INVESTMENTS

The municipality has accumulated investment funds which are kept in call deposit accounts to accumulate interest. These funds are partially reserved and earmarked for specific purposes as determined by the Accounting Officer, including the Capital Replacement Reserve, Valuation Roll reserve and Employee Benefits Reserve.

The following graph depicts the level of investments held by the municipality from the 2019-20 financial year to 2022-23 financial year. The investments reflect a gradual increase year on year, having increased from R347.8 million in 2019-20 to R497.3 million in 2022-23.

PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships

Note: Council has not entered into any private public partnerships during this financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

Introduction to Supply Chain Management

The Council and management remain committed to ensuring that there is compliance with all SCM legislation and regulations in order to ensure that fair and transparent tender processes are followed at all times and to ensure full compliance with the applicable legislation. In support of this, the Municipal SCM Policy has been reviewed and approved by council during the previous financial year as part of the review of all budget related policies.

In order to comply with section 119 of the MFMA all members serving on Bid Specification, Evaluation and Adjudication Committees and all SCM staff are attending National Treasury approved training in order to ensure that they meet the prescribed minimum competency levels relating to supply chain management (SCM).

Various other control measures are also being implemented in order to ensure that SCM practices are effected in a fair, equitable and transparent manner. Supply Chain Management continues to be seen as an area of priority for top management.

Further details on the SCM are outlined in Appendix I of the report.

GRAP COMPLIANCE

Introduction to GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. The Municipality is currently in full compliance with all provisions of GRAP.

The financial statements have been prepared using an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise specified.

The financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB). This has occurred in accordance with Section 122(3) of the Municipal Finance Management Act (Act No 56 of 2003).

Where a Standard of GRAP has been issued but is not yet effective, the Municipality may resolve to early adopt such a Standard of GRAP if an effective date has been determined by the Minister of Finance.

The Municipality resolved to early adopt the Improvements to Standards of GRAP (2020) which was issued but not yet effective. The improvements affected the following Standards of GRAP:

STANDARD	DESCRIPTION	EFFECTIVE DATE
GRAP 5	Borrowing Costs	1 April 2023
GRAP 13	Leases	1 April 2023
GRAP 16	Investment Property	1 April 2023
GRAP 17	Property Plant and Equipment	1 April 2023
GRAP 24	Presentation of Budget Information in Financial Statements	1 April 2023
GRAP 31	Intangible Assets	1 April 2023
GRAP 32	Service Concession Arrangements: Grantor	1 April 2023
GRAP 37	Joint Arrangements	1 April 2023
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	1 April 2023
Directive 7	The Application of Deemed Cost	1 April 2023
Guideline	Accounting for Landfill Sites	1 April 2023

The Municipality also resolved to early adopt the following Interpretation of the Standards of GRAP which were issued but are not yet effective:

STANDARD	DESCRIPTION	EFFECTIVE DATE
iGRAP 21	The Effect of Past Decisions on Materiality	1 April 2023

The Municipality further resolved to early adopt the following Amendments to the Standards of GRAP which were issued but are not yet effective:

STANDARD	DESCRIPTION	EFFECTIVE DATE
GRAP 1 (2019)	Presentation of Financial Statements	1 April 2023

The effect of the above-mentioned Improvements, Interpretations and Amendments to the Standards of GRAP which were early adopted is considered insignificant. The amendments and improvements to the Standards of GRAP mainly relate to the clarification of accounting principles.



CHAPTER 6

AUDIT COMMITTEE FINDINGS 2022/2023

CHAPTER 6: AUDIT COMMITTEE FINDINGS 2022/2023

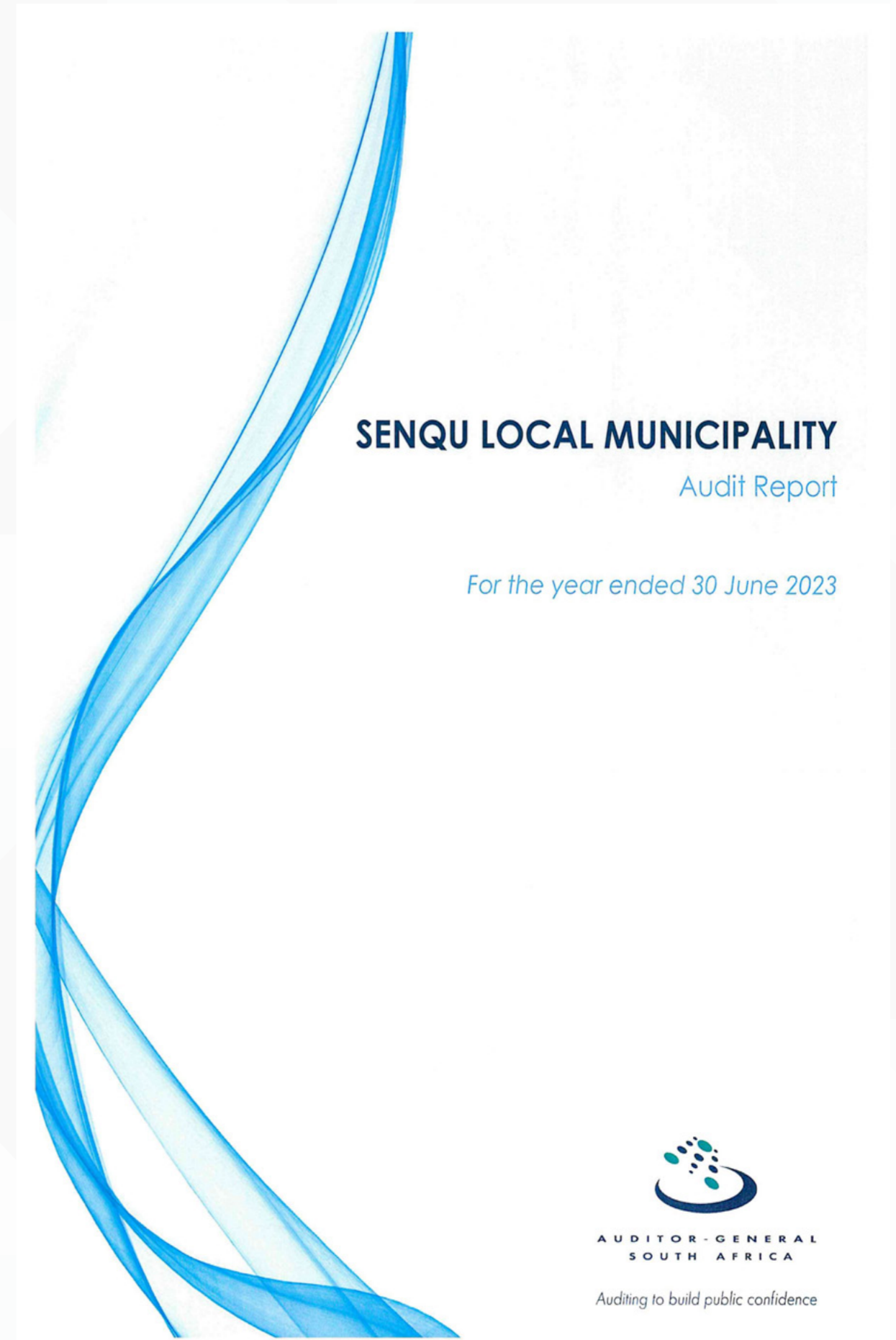
This chapter will detail the following audit related information:

Component A: The Auditor-General Report 2022/23

Component B: Audit Committee Report on Service Delivery 2021/2022

Component C: Audit Committee Report on Service Delivery 2022/2023

Component D: Overall audit /financial performance of the Senqu Municipality for the year ended 30 June 202



Report of the auditor-general to Eastern Cape Provincial Legislature and the council on Senqu Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Senqu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and, statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Senqu Local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

7. As disclosed in note 48.3 to the financial statements, the municipality has accumulated R59.6 million (2022: R38.2 million) irregular expenditure that has not been recovered, written off or condoned.

Material allowance for impairment - Receivables

8. As disclosed in note 3 and 4 to the financial statements, allowance for impairments of R68.5 million (2022: R57.1 million) relating to receivables from exchange transactions and R26.4 million (2022: R22.4.6 million) relating to receivables from non-exchange transactions were incurred.

Other matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

10. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and accordingly we do not express an opinion on them.

Unaudited supplementary schedules

11. The supplementary information set out on pages... to ... do not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly we do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance in accordance with GRAP and the requirements of the MFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following programme presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a programme that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Service delivery and infrastructure development	[XX]	Service delivery and infrastructure development is the core mandate of the municipality

18. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets / measures taken to improve performance.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

21. I did not identify any material findings on the reported performance information for the selected objective.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

Material misstatements

24. I identified a material misstatements in the annual performance report submitted for auditing. This material misstatements was in the reported performance information of Basic service delivery and infrastructure. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for municipality's compliance with legislation.

26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

28. I did not identify any material findings on compliance with the legislative requirements.

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

East London

30 November 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance.

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act (Act No. 56 of 2003)	Section 122 (1) Section 122 (2) Section 126 (1) (a) and 126 (1)(b) Section 133 (1)(a) and 133 (1)(c) Section 127 (2) and 127 (5)(a) Section 129 (1) and 129 (3) Section 65 (2) (e) and 65 (2) (a) Section 11 (1) Section 62 (1)(d) Section 87 (8) Section 15 Section 29 (1) and 29 (2) (b) Section 62(1)(f)(i) and 62(1)(f)(ii) Section 63(2)(a) Section 64(2)(e) and 64 (2) (b) Section 64(2) (c) and 64(2)(g) Section 13(2) Section 14(1) Section 14(2)(a) and 14(2)(b) Section 33(2) Section 170 Section 32(2) and 32(6)(a) Section 171 (4)(a) Section 53(1)(c)(ii) Section 1 Section 72(1)(a)(ii) Section 24(2)(c)(iv) Section 54(1)(c) Section 117
Municipal Budget and Reporting Regulations	Regulation 71 (1) and 71 (2) Regulation 72
Municipal Structures Act ,(Act No.32 of 2000)	Section 74(1) Section 96 (b) Section 29(1)(b)(ii) Section 42

Legislation	Sections or regulations
	Section 25(1) Section 26 Section 41(1)(a) and 41(1)(b) Section 43(2) Section 4(a) and 41(1)(c)(ii) Section 34(b) Section 38(a)
Municipal Property Rates Act ,(Act No.06 of 2004)	Section 3 (1)
Municipal investment regulations	Regulation 3(1)(a) and 3(3) Regulation 6 Regulation 7 Regulation 12(2) and 12(3)
Prevention and Combatting of Corrupt Activities Act (Act No.12 of 2004)	Section 34(1)
Municipal Planning and Performance Management Regulations	Regulation 15(1)(a)(i) Regulation 2(1)(e) Regulation 2(3)(a) Regulation 9(1)(a) Regulation 10(a) Regulation 12(1) Regulation 3(4)(b) and 15(1)(a)(ii) Regulation 3(3) Regulation 8 Regulation 7(1)
Disciplinary Regulations for Senior Managers	Regulation 5 (2) Regulation 5 (6) Regulation 8 (4)
Financial Misconduct Regulations	Regulation 5(4) Regulation 6(8)(a) Regulation 10(1)
Supply Chain Management Regulations	Regulation 121(1)(c) Regulation 16(a) Regulation 17(a) and (c) Regulation 17(b) Regulation 43

Legislation	Sections or regulations
	Regulation 19(a) &(b) Regulation 3691)(a) Regulation 12(3) Regulation 27(2)(a)&(e) Regulation 22(1)(b) & 22(2) Regulation 28(1)(a)(i) Regulation 21(b) Regulation 29(1) (a) & (b) Regulation 29(5)(a)(ii) & (b)(i) Regulation 13(c) Regulation 38(1) (c.) Regulation 38(1)(d)(ii) & (g)(iii) Regulation 38(1) (e.) Regulation 38(1)(g)(i) and 38(1)(g)(ii) Regulation 32 Regulation 5 Regulation 44 Regulation 46(2)(e) and 46(2)(f)
Preferential Procurement Policy Framework Act,(Act No.5 of 200)	Section sec 2(1)(a) Section 2(1)(f)
Public Procurement Regulations of 2017	Regulation 6(1) and 7(1) Regulation 6(8), 7(8), 10(1)&(2) & 11(1) Regulation 5(1) & 5(3) Regulation 5(6) Regulation 5(7) Regulation 9(1)
Public Procurement Regulations of 2022	Regulation 4(1) and 5(1) Regulation 4(4) & 5(4)
Construction Industry Development Board Act (Act No.38 of 2000)	Section 18(1)
Construction Industry Development Board Regulations	Regulation 17 Regulation 25(7A)
Municipal Cost Containment Regulations,2019	Reg 5(1) MFMA 62(1)(a) / MFMA 78(1)(b) MFMA 95(a) / MFMA 105(1)(b) Reg 5(5)(f)

COMPONENT B: AUDIT COMMITTEE REPORT ON SERVICE DELIVERY 2021/2022
AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2021/2022

Audit Committee on Service Delivery: June 2022 (Previous Financial Year)

AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2021/2022

REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE SENQU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2022

In accordance with Section 166 of the Municipal Finance Management Act 56 of 2003 (the MFMA), the Audit Committee has been established as an Independent Committee of Council. The Committee has adopted formal terms of reference, which are reviewed annually and approved by Council. The Committee presents its report for the financial year ended 30 June 2022.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In the year under review, the Committee consisted of four members and five Audit Committee meetings were held in the year under review as indicated below. In addition, and as demanded by good corporate governance norms, separate exclusive meetings were held with the Auditor General of South Africa as well as with the Head of Internal Audit. Internal Audit facilitates audit committee meetings and the Auditor General of South Africa is a standing invitee at these meetings and generally attends the majority of them. Name of member Number of meetings attended Ms Ms F Mushohwe (Chairperson) 5 Ms N Hermanus-Mabuza 5 Mr S Maharaj 4 Mr A Makhabeni 5

AUDIT COMMITTEE RESPONSIBILITY

The responsibility of the Audit Committee is to exercise an oversight function on the effectiveness of good corporate governance at the Municipality. The MFMA prescribes the minimum specific responsibilities to be executed and fulfilled by the Audit Committee. This report gives account on these legislated responsibilities.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Auditor General reports that in their review of the internal control system, they identified significant or material deficiencies in the internal control system as it relates to irregular expenditure. Accordingly, their conclusion and opinion reflected a regression from a clean administration to an unqualified audit opinion with findings. The committee is concerned with this regression but commits to work closely with management to ensure that the identified issues are addressed and the Municipality improves and gets back to a state of clean administration. The committee will continue to monitor the Audit Improvement plan to ensure that the identified findings are addressed. The committee also made sure that the 23/24 financial year internal audit plan includes work on supply chain management including irregular expenditure. The committee appreciates that the Municipality is in a favourable financial position with huge reserves. Whilst this is a desirable position to be in, the committee recommends that the Municipality consider to spend some of the funds on improving on its aging infrastructure. Internal Audit identified occasional lapses in the internal control system which were reported quarterly to the committee. Recommendations were made to management which, in many instances, management agreed to implement. There were instances in which management disagreed with internal audit findings. Whilst the committee appreciates that they can be instances where management disagrees with assurance providers such as internal audit, the committee is concerned and was not always convinced of the basis of disagreements.

INTERNAL AUDIT ACTIVITY

Internal Audit continued to be effective in the year under review, wherein the unit executed and fulfilled its mandate as envisaged by Section 165 of the Municipal Finance Management Act encapsulated in the internal audit plan and in the internal audit charter. The committee appreciate the support received from management in capacitating the internal audit unit and applaud the internal audit unit on the good quality of work performed during the financial year under review.

RISK MANAGEMENT

Risk Management was considered to be effective in the year under review. The Committee however acknowledges that there is still no fully functional internal risk management committee which would be assessing risks throughout the year. This issue has been discussed with management and commitments have been made to address the issue.

ACCOUNTING POLICIES

Accounting policies adopted by the Municipality in the current year were in accordance with Generally Recognised Accounting Practice standards, accordingly, there were no audit findings on accounting policies.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee reviewed the annual financial statements for the financial year under review. Some comments and recommendations were made by the committee to management which were subsequently implemented.

GOVERNANCE

Governance at the Municipality for the year under review was effective, accordingly neither the Auditor General nor Internal Audit raised any issues on governance.

COMPLIANCE WITH THE MFMA AND OTHER APPLICABLE LEGISLATION

The irregular expenditure completeness issue as indicated earlier is indicative of noncompliance with the MFMA legislation and Supply Chain Management policies. Accordingly, the committee, with the assistance of internal audit, will monitor the implementation of the recommendations given to management by assurance providers, to ensure that these issues are adequately dealt with.

COMPARISON TO PRIOR YEAR

The Municipality had a regression in terms of the audit opinion for the financial year under review due to the material issue identified, relating to irregular expenditure completeness. Accordingly, the committee will continuously review the control environment to ensure that improvements are noted and the issue is addressed.

CONCLUSION

The committee would like to appreciate the continuous and consistent support received from management that ensured that the committee carry out its duties effectively. The committee commits to work closely with management to ensure that the Municipality gets back to a state of clean administration.

F. Mushohwe

F Mushohwe Audit Committee

Chairperson For and on behalf of the Audit Committee

AUDIT COMMITTEE REPORT ON SERVICE DELIVERY YEAR 2022/2023

COMPONENT C: AUDIT COMMITTEES REPORT ON AUDITOR GENERAL'S OPINION ON SERVICE DELIVERY 2022/2023

REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE SENQU MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2023

In accordance with Section 166 of the Municipal Finance Management Act 56 of 2003

(the MFMA), the Audit Committee has been established as an Independent Committee of Council. The Committee has adopted formal terms of reference, which are reviewed annually and approved by Council.

The Committee is pleased to present its report for the financial year ended 30 June 2023.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In the year under review, the Committee consisted of four members. As demonstrated

below, five Audit Committee meetings were held in the year under review. In addition, and as demanded by good corporate governance norms; separate exclusive meetings were held with the Auditor General of South Africa as well as with the Head of Internal Audit and with Accounting Officer. Internal Audit facilitates audit committee meetings, and the Auditor General of South Africa is a standing invitee at these meetings and generally attends majority of them.

Name of member

Mrs F Mushohwe (Chairperson)

Mr Suren Maharaj

Mrs N Hermanus-Mabuza

Mr A Makhabeni

Number of meetings attended

5 5 5

5

AUDIT COMMITTEE RESPONSIBILITY

The responsibility of the Audit Committee is to exercise an oversight function on the effectiveness of good corporate governance at the Municipality. The MFMA prescribes the minimum specific responsibilities to be executed and fulfilled by the Audit Committee. This report gives account on these legislated responsibilities.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Internal Audit through its processes assessed the control environment of the municipality to be acceptable, however some areas were considered to have weak and or no controls. Recommendations to remedy these were given by the Internal Audit and were either actioned by management throughout the financial year, or commitments were made to resolve the internal audit findings. The Internal audit together with the Audit Committee will continue to monitor and report on the control environment giving practical recommendations to the municipality to improve.

INTERNAL AUDIT ACTIVITY

Internal Audit continued to be effective in the year under review, wherein they executed and fulfilled their mandate as envisaged by Section 165 of the Municipal Finance Management Act. This was encapsulated in the internal audit plan and in the internal audit charter.

RISK MANAGEMENT

Risk Management was not effective in the year under review. Management has established a risk management committee, however there were no risk management meetings that were convened in the year under review. The risk management committee attended a 2-week training in June 2023 with the University of Pretoria. Risk Management committee should be function in the new year. The committee acknowledges that there needs to be improvement in as far as risk management is concerned. Processes are underway to appoint an independent chairperson of the committee who will report to the audit committee.

ACCOUNTING POLICIES

Accounting policies adopted by the Municipality in the current year were in accordance with Generally Recognised Accounting Practice standards (GRAP), accordingly, there were no internal audit findings on accounting policies.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements together with the Annual Performance Report were submitted by management to Internal Audit and the Audit Committee. The Internal Audit performed its reviews with its findings reported to the Audit Committee. The Audit Committee also had its review of the Annual Financial Statements and Annual Performance Report. The committee recommended the Annual Financial Statements for submission to the Auditor General.

PERFORMANCE MANAGEMENT

The Internal Audit reviewed the performance management of the municipality throughout the year. Minimal deficiencies were identified and subsequently corrected by management.

GOVERNANCE

Governance at the Municipality for the year under review was effective, accordingly the Internal Audit did not raise any issues on governance.

COMPLIANCE WITH THE MFMA AND OTHER APPLICABLE LEGISLATION

The internal audit did not identify

any new material non-compliance issues within the municipality in the year under review. Internal Audit continues to monitor management commitments on their action plan to mitigate the risk of recurring non-compliance.

COMPARISON TO PRIOR YEAR

The Committee noted the improvements in the Municipality as reflected by the reports received from the external auditors. The Committee would like to congratulate the Municipality for receiving a clean audit outcome and appreciate the team efforts by

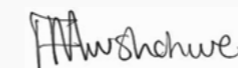
management which lead to the Municipality receiving a clean administration status (unqualified audit opinion with no findings). The committee would also like to congratulate the Municipality for employing an accounting officer as the former accounting officer departed from the Municipality.

The committee is concerned with the Municipality's inability to fully spend its budget especially as it relates to infrastructure grant(s). The Municipality has aging infrastructure and huge financial reserves, yet there seems to be a reluctance to spend money on the same infrastructure and other crucial things for the Municipality. The committee has been recommending the Municipality that they should consider using some of the reserves to fund their infrastructure backlog.

There also seems to be lack of clarity as it relates to the function of the committee in, amongst others, reviewing certain, specific reports and making comments and or recommendations thereon before they are presented to the Council. For example, the audit committee charter requires that the committee is to inform the council regarding material matters which need to be addressed when considering the preparation and discussion of the financial statements. The same charter requires that the committee review and assess the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organisation. The audit committee does not seem to be given room by to fully executes such functions which are stipulated in its Charter.

The Committee has also taken note of the concerns raised by Internal Audit and accepts that there is further room for improvement in the accounting function and elements of the internal control environment.

I would like to thank all members of the Committee for their contribution and the professional way in which meetings were conducted. The Committee wishes to express to the Accounting Officer, management, Executive Mayor and the Council, our sincere appreciation for the commitment and progress made this year.



F Mushohwe
Audit Committee Chairperson

For and on behalf of the Audit Committee 23 January 2022

GLOSSARY

Accessibility Indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within those particular areas. If not provided it may endanger the public health and safety or the environment
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs
Distribution indicators	The distribution of capacity to delivery services.

GLOSSARY CONT.

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally
Impact	The results of achieving specific outcomes, such as reducing poverty and reducing jobs
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans
National Key Performance Areas	Service delivery & Infrastructure Economic development Municipal transformation and institutional development Financial viability & management Good governance & community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY CONT.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic terms for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timelines, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines "vote" as a) One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and b) That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

Appendix A

council members	full time/ part time	committees allocated	ward and/or party repre- sented	Percentage Council Meetings Attendance	Per- centage Apologies for non-at- tendance
VELILE VICTOR STOKHWE	FT	Mayor	PR	94.4	5.6
NOLUFEFE MERCY NDENGANE	PT	COMMUNITY SERVICE	PR	94.4	5.6
NONKUSELO JANUARY	PT	TECHNICAL service	PR	100	
NDILEKA NYONGWANA	PT	CORPORATE & SUPPORT SERVICES	PR	94.4	5.6
LUTHANDO STEPHEN NDAKISA	PT	TECHNICAL SERVICES	PR	89	11.1
BONGEKA MBONJWA		DTPS	PR	83	5.6
RUTH NOGOLI GWABINI	FT		PR	94.4	5.6
BABALWA LAWU	PT	mpac	PR	89	
XOLA GARY MAGCAI	PT	strategic and goverNnce	PR	67	11.1
ZOLISWA REJOICE MXOLI	PT		PR	44	16.7
MOEKETSI JOHN MOAHLOLI	PT	rules & ethics	PR	50	11.1
NOLONWABO NGENDANA	PT	BTO	PR	39	16.7
TSHEPISO JACKSON MADIENE	PT	DTPS	PR	56	5.6
BUKHOSIBAKHE PATRICK NGAM-LANA	PT	BTO	PR	44	11.1
MCEBISI NTSIKELELO MGOJO	PT	COMMUNITY AND SOCIAL SERVICES	PR	50	11.1
NOKUZOLA MURIEL PHAMA	PT		PR	39	11.1
LUZUKO LUNGA NONGOGO	PT	MPAC	PR	61	5.6
THULISA MBANE	PT	DTPS	WARD	100	
PULANE CECELIA MMELE	PT	COMMUNITY AND SOCIAL SERVICES	WARD	89	
SAMUEL MCHUMANE NTLWATINI	PT	MPAC	WARD	89	
MZWANDILE THEO MBIJEKANA	PT	MANDATE	WARD	73	
Z. Mnisi	PT	STRATEGIC & GOVERNANCE	WARD	89	
MZUVELILE ELLIOT MBUTYA	PT	TECHNICAL SERVICES	WARD	100	
ZANDISILE ISHMAEL MANGCIPU	PT	BTO	WARD	83	5.6
KHOLIWE SANNA MPITI-XELESHE	PT	COMMUNITY AND SOCIAL SERVICES	WARD	72	5.6
DUMISANI JOSEPH SOMSILA	PT	DTPS	WARD	72	11.1
SIMON MFISA	PT		WARD	100	
THEMBA NONJOLA	PT		WARD	94.4	5.6
BUSAPHI DUBA	PT	COMMUNITY AND SOCIAL SERVICES	WARD	100	
MELISIZWE MCDONALD KAFILE	PT		WARD	89	
THENJIWE MIRRIAM DUMZELA	PT	CORPORATE & SUPPORT SERVICES	WARD	94.4	5.6
MAHLUBI PHUZA	PT	CORPORATE & SUPPORT SERVICES	WARD	73	
MLIFA AMOS MSHASHA	PT	BTO	WARD	50	5.6
AKHONA MVELASE	PT	DTPS	WARD	61	11.1

Appendix B: Committees & Committee Purposes

COMMITTEES (OTHER THAN MAYORAL /EXECUTIVE COMMITTEE) AND PURPOSE OF COMMITTEES	
Municipal Committees	Purpose of Committee
Audit Committee	Administrative Oversight
Municipal Public accounts committee	Oversight
Local Labour Forum	Labour related Issues
Training Committee	Training and Employment Equity Issues
Bid Committees	Bid/Specification/Tender Adjudication
Performance Management Evaluation	Assessment of Performance
Mandate Committee	To carry out and discuss all the mandatory issues of the Council
Remuneration Committee	To carry out and discuss all the remuneration issues of the Council
Strategic and Governance Committee	To carry out and discuss all the Strategic issues of the Council
Ethics Committee	To carry out and discuss all the ethical issues of the Council
Corporate and Support Services Committee	To discuss, recommend and dealing with council related business.
Community Services Committee	To discuss, recommend and dealing with council related business.
Technical Services Committee	To discuss, recommend and dealing with council related business.
Budget & Treasury Committee	To discuss, recommend and dealing with council related business.
Development and Planning Committee	To discuss, recommend and dealing with council related business.
Occupation Health and Safety Committee	To carry out and discuss all the Occupational and Health issues of the Council
Employment Equity Committee	To carry out and discuss all the Employment Equity issues of the Council

Appendix C: Third Tier Administrative Structure

THIRD TIER STRUCTURE	
Directorate	Director/Manager (state title and name)
Financial Services	Chief Financial Officer: Mr K. Fourie (Acting)
Technical Services	Director: Mr. R.S. Ruiters
Development and Planning Services	Director: Mr. S. Chaphi
Community Services	Director: Mrs N. Nyezi
Corporate Services	Director: Z. Koyana

Appendix D: Functions of Municipality/ Entity

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Air Pollution	No	N/A
Building Regulations	Yes	N/A
Childcare facilities	No	N/A
Electricity and gas reticulation	Yes	N/A
Firefighting services	No	N/A
Local tourism	Yes	N/A
Municipal airports	No	N/A
Municipal Planning	Yes	N/A
Municipal Health Services	No	N/A
Municipal Public Transport	No	N/A
Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries, jetties, piers & harbours, excluding the regulation of international & national shipping & matters related thereto	No	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestics wastewater and sewage disposal systems	Yes	N/A
Beaches and amusement facilities	No	N/A
Billboards and the display of advertisements in public area	Yes	N/A

appendix d (cont.)

MUNICIPAL / ENTITY FUNCTIONS		
Municipal Functions	Function Applicable to Municipality Yes/No	Function applicable to Entity Yes/No
Constitution Schedule 4, Part B functions		
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	Yes	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes	N/A
Municipal abattoirs	No	N/A
Municipal parks and recreation	Yes	N/A
Municipal roads	Yes	N/A
Noise pollution	No	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic & Parking	Yes	N/A

Appendix E: Ward Reporting

PUBLIC MEETINGS						
NAME AND PURPOSE OF MEETING	DATE OF MEETING	NUMBER OF PARTICIPATING COUNCILLORS /WARD MEMBERS	NO. OF PARTICIPATING MUNICIPAL OFFICIALS / ADMINISTRATORS	NUMBER OF COMMUNITY ATTENDING	ISSUES ADDRESSED (YES / NO)	DATES AND MANNER OF FEEDBACK GIVEN TO THE COMMUNITY
Mayoral Outreach (Public Consultation)	2nd May 2023, 5th May 2023, 8th May 2023, 9th May 2023, 10th May 2023,	28	7	3000	Yes, although needs are limited to budget constraints.	9th September to 28th September 2023
Ward committee meeting.	Quarter 1 meeting was held on 16th August – 21st September 2022 Quarter 2 Meetings was held on 1st November – 9th December 2022 Quarter 3 meetings was held on 28th February – 28th March 2023 Quarter 4 21st June- 29th June 2023.	15 Ward Councillors 9 Ward Committee members	17 CDWs 1 Official	0 Community Members	Yes	9th September to 28th September 2023
The main purpose of the ward meetings is to ensure information reaches communities and also used to collect complaints from the wards. IDP and other developmental projects are also communicated in this meeting.						

Appendix F: Ward Information: NB: SEE ATTACHED AUDITED AFS

PROJECTS APPROVED AND IN PROGRESS			
R' 000			
NATIONAL PROJECT REFERENCE NO.	PROJECT NAME	EXPENDITURE 2020/2021	BALANCE AVAILABLE ON MIG APPROVAL
	Barkly East Cemetery	5,538,372.40	
	Herschel - Solid Landfill Site	1,917,967.79	
	Lady Grey Solid Waste Site	4,617,677.73	
	Rossouw - Solid Landfill Site	6,374,353.57	
	Driving License and Testing Centre Sterkspruit	3,291,364.73	
	Interlock Paved Street in Kwezi Naledi - Ward 14	3,967,533.10	
	New Rest Paving Ward 8	3,453,524.59	
	Herschel Community Hall - Ward 13	1,373,012.90	
	Renovation town hall Barkly East	3,474,942.29	
	Blue-Gums Sports field	357,015.60	
	TOTAL	34,467,099.45	

Appendix G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2022/2023

DATE OF THE MEETING	RECOMMENDATIONS	ADOPTED (ENTER YES) IF NOT, PROVIDE EXPLANATION
22 July 2022	<p>Management should report on the consequence management processes relating to the WDR irregular expenditure as identified by the Auditor General.</p> <p>Risk Management Committee to have a quarterly report on progress against plan on the risk management activity.</p> <p>Re-assessment of the Key Controls Dashboard – management should include the MIG performance on the key controls' dashboard.</p> <p>Management should have a dashboard with a schedule of all capex projects and report on them quarterly.</p> <p>Management to provide the audit committee with annexures to disclose month to month updates on the total revenue collected.</p>	YES
02 December 2022	<p>Municipal Manager to give an overview of the Municipality at each AC meeting.</p> <p>Management should detail in the report internal factors that are affecting the spending on the MIG grant.</p> <p>Management to provide feedback on the investigation of unauthorised debit orders.</p> <p>Management should present in the next AC meeting a plan on how they plan to address the issue of reports going to Council before being presented to the Audit Committee.</p>	YES
10 February 2023	<p>Internal Audit to review validity of regulation 36 matters in SCM in the next SCM Audit</p> <p>CFO to provide progress on the capacitation of the SCM unit and present a plan on how SCM will be capacitated.</p> <p>Management should engage Provincial Treasury on the matter relating to erroneous transfer of properties to the municipality by the National and provincial government.</p>	YES
19 May 2023	<p>Management to present an item to AC relating to the municipal reserves and the utilization thereof.</p> <p>Management to give feedback on the submission of the Annual Report post meeting with the Auditor General – considering the delay on the finalization of the 2021/22 Audit.</p> <p>Management to provide an update on the developments of the stakeholder engagement strategy.</p> <p>Management to provide the AC with an update on the investigations of the alleged fraud relating to the Kwezi Naledi procurement process.</p> <p>The legal services report should include the total legal fees that the municipality incurred in defending cases</p>	YES

Appendix H: LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR 0)					
R'000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value
Standard Bank of South Africa	BANKING SERVICES	04 January 2023	04 January 2028	K Fourie	Rates based

PUBLIC PRIVATE PARTNERSHIPS ENTERED INTO DURING YEAR 0					
R'000					
Name of and Description of the Project	Name of the Partner(s)	Initiation Date	Expiry Date	Project Manager	Value 2022/2023
N/A					

SENQU MUNICIPALITY

APPENDIX I: MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: CONSOLIDATED BIDS AWARDED FOR THE PERIOD 2022 /2023



MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: CONSOLIDATED BIDS AWARDED FOR THE PERIOD 2022 /2023

APPENDIX I

MUNICIPAL ENTITY / SERVICE PROVIDERS STRATEGIC PERFORMANCE MANAGEMENT AND MONITORING REPORT: 2022/23

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality

Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

The performance of each service provider

a Comparison of the performance with targets set for and performances in the previous financial year; and measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers.

SCM STATISTICAL AND COMPLIANCE/ADMINISTRATIVE REPORTING: 2022/2023

Total number of times that the Bid Committee met during 2022/2023			
Specifications Committee (17 Meetings)	Evaluation Committee(21 meetings)	Adjudication Committee(13 Meetings)	
1	18 August 2022	21 July 2022	30 August 2022
2	7 September 2022	27 July 2022	16 September 2022
3	2 November 2022	3 August 2022	28 October 2022
4	4 November 2022	19 August 2022	7 December 2022
5	10 November 2022	24 August 2022	8 December 2022
6	9 February 2023	08 September 2022	26 January 2023
7	10 February 2023	12 October 2022	01 February 2023
8	15 February 2023	24 October 2022	22 March 2023
9	7 March 2023	2 November 2022	24 March 2023
10	22 March 2023	16 November 2022	25 April 2023
11	12 April 2023	17 November 2022	15 May 2023
12	17 April 2023	15 February 2023	18 May 2023
13	18 April 2023	26 April 2023	12 June 2023
14	21 April 2023	02 May 2023	
15	25 April 2023	03 May 2023	
16	18 May 2023	04 May 2023	
17	12 June 2023	15 May 2023	
18		17 May 2023	
19		18 May 2023	
20		8 June 2023	
21		12 June 2023	
22			
Bids Approved /awarded/Turnaround Time			

Total number of Tenders considered: 62
Total number of Tenders approved: 29
Average time taken from tender advertisement to award of a tender: 120 Days: 4 Months

SCM BID COMMITTEES 2022 /2023

Various BID Committee Members 2022/2023		
Bid Specification Committee Members	Bid Evaluation Committee Members	Bid Adjudication Committee Members
X Mnzilwa (Chairperson)	T. Van Zyl (Chairperson)	K. Fourie (Chairperson)
A. Gushmani (Alternative Chairperson)	S. Skampula (Chairperson)	S. Skampula (Chairperson)
B. Viedge (Ad Hoc Chairperson)	B. Viedge (Ad Hoc Chairperson)	A. Gushmani (Alternative Chairperson)
L. Tobben (Ad Hoc Chairperson)	L. Tobben (Ad Hoc Chairperson)	B Tsotso (SCM Practitioner)
Z. Ndamase (SCM Practitioner)	M. Theron (Ad Hoc Chairperson)	N. Sbukwana (SCM Practitioner)
B. Tsotso (SCM Practitioner)	U. Mkontwana (SCM Practitioner)	N. Languza-Mtwebana (Secretary-SCM)
M. Xorile (SCM Practitioner)	Z. Ndamase (SCM Practitioner)	W. Sontshi (Secretary-SCM)
N. Languza-Mtwebana (Secretary-SCM)	M. Xorile (SCM Practitioner)	R. Ruiters
M. Salmani	L. Moyikwa (Secretary-SCM)	S. Chapi
N. Nkopane	N. Nkopane	N. Nyezi
J. Van Rensburg	J. Van Rensburg	Z. Koyana
U. Sobudula	M. Salmani	
L. Booi	U. Sobudula	
T. Wonga	L. Booi	
S. Mbekushe	T. Wonga	
T. Mokhina (Non-voting)	S. Mbekushe	
N. Nelani	T. Mokhina (Non-Voting)	
U. Nako	N. Nelani	
S. Skampula	U. Nako	
T. Van Zyl	X. Mnzilwa	
U. Mkontwana	A. Gushmani	

Consolidated Service Providers Performance Report 2022 /2023 (1 July 2022 until 30 June 2023)

LEGEND		
Total number of projects assessed	28	
Fully Achieved/Targets Met – Excellent performance	28	100.00%
Targets Met with a Variance – Good Achievement	0	0.00%
Not yet met/not fully achieved	0	0.00%
Not achieved	0	0.00%
Not Assessed	Adjudication Stage	Not provided

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REA-SON FOR VARI-ANCE ON TAR-GET	AC-TION TO REM-EDY VARI-ANCE	TIMEFRAMES TO CORRECT VARIANCE
1	15/2021-2022T	Ditsamai Investments and Projects cc	Sterkspruit Urban Design Framework/ Sterkspruit Business Plan	R345,000.00	09-02-22	14-07-22 27-07-22	05-10-22	100%	Service Provider appointed on the 05 October 2022	Tender Document	No Vari-ance	n/a	n/a
2	45/2022-2023T	Indaba IT Solution	New Laptops & IT Equipment	VAT Inclusive Rates	04-05-22	19-08-22 25-08-22 19-08-22	05-10-22	100%	Service Provider appointed on the 05 October 2022	Tender Document	No Vari-ance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVER-ALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REA-SON FOR VARI-ANCE ON TAR-GET	AC-TION TO REM-EDY VARI-ANCE	TIMEFRAMES TO CORRECT VARIANCE
3	76/2022-2023T	Izwe Lakwethu Trading	Supply and delivery of Paraffin and Candles	R 252.97 rates based	18-08-22	12-10-22	22-11-22	100%	Service Provider appointed on the 22 November 2022	Tender Document	No Vari-ance	n/a	n/a
4	89/2022-2023T	Kwa Africa (Pty) Ltd	Municipal Events Co-Ordinator	15% Commission	07-09-22	24-10-22	22-11-22	100%	Service Provider appointed on the 22 November 2022	Tender Document	No Vari-ance	n/a	n/a
5	43/2021-2022T	Quick Save Security Services	Provision of Physical Security Services	VAT Inclusive Rates	20-06-22	08-09-22 15-09-22	01-01-23	100%	Service Provider appointed on the 01 January 2023	Tender Document	No Vari-ance	n/a	n/a
6	54/2021-2022T	The Standard Bank of South Africa Limited	Provision of Banking Services	VAT Inclusive Rates	22-06-22	22-11-22	04-01-23	100%	Service Provider appointed on the 04 January 2023	Tender Document	No Vari-ance	n/a	n/a
7	90/2022-2023T	Amended Recline Trading and Projects	Supply and Delivery of Traffic Uniform	VAT Inclusive Rates	07-09-22	16-11-22 17-11-22	24-01-23	100%	Service Provider appointed on the 24 January 2023	Tender Document	No Vari-ance	n/a	n/a
8	95/2022-2023T	Global South Africa (Pty) Ltd	Appointment of a Consultant or Consulting Company for Senqu Municipality Strategic Planning Facilitation Services for 3 years	R870,000.00	05-10-22	16-11-22 17-11-22	25-01-23	100%	Service Provider appointed on the 25 January 2023	Tender Document	No Vari-ance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	OVERALL TARGET FOR CURRENT PERIOD	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REA-SON FOR VARI-ANCE ON TAR-GET	AC-TION TO REM-EDY VARI-ANCE	TIMEFRAMES TO CORRECT VARIANCE
9	88/2022-2023T	Utilities World (Pty) Ltd	Pre-paid Vending Services	VAT Inclusive Rates	07-09-22	16-11-22 17-11-22	27-01-23	100%	Service Provider appointed on the 27 January 2023	Tender Document	No Vari-ance	n/a	n/a
10	16/2021-2022T	Sikhumbulathi Trading (Pty) Ltd	Supply and Delivery of black and Green Refuse Bags	VAT Inclusive Rates	10-02-22	21-07-22	06-02-23	100%	Service Provider appointed on the 06 February 2023	Tender Document	No Vari-ance	n/a	n/a
11	43/2021-2022T	Likunga Protection Security Services	Provision of Physical Security Services	VAT Inclusive Rates	20-06-22	08-09-22 15-09-22	20-02-23	100%	Service Provider appointed on the 20 February 2023	Tender Document	No Vari-ance	n/a	n/a
12	Transversal Contract RT15	Vodacom East London Office	Supply and Delivery of Mobile Communication Services	VAT Inclusive Rates	N/A	N/A	22-02-23	100%	Service Provider appointed on the 22 February 2023	Tender Document	No Vari-ance	n/a	n/a
13	10/2022-2023T	SP Lenong Civil Group 8 (Pty) Ltd	Purchase and Delivery of Fencing Material for Two Years	Rates Based	08-03-23 09-03-23	03-05-23	23-05-23	100%	Service Provider appointed on the 23 May 2023	Tender Document	No Vari-ance	n/a	n/a

#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
14	13/2022-2023T	LV Matshete	Purchase and Delivery of Stationery for Three Years	Rates Based	07-03-23 08-03-23	03-05-23	31-05-23	100%	Service Provider appointed on the 31 May 2023	No Variance	n/a	n/a
15	14/2022-2023T	Aqua Transport and Plant Hire (Pty) Ltd	Leasing of Machinery and Equipment	Rates Based	07-03-23 08-03-23	03-05-23	05-06-23	100%	Service Provider appointed on the 05 June 2023	No Variance	n/a	n/a
16	26/2022-2023T	Siyanda Business Solutions (Pty) Ltd	Provision of Accounting and Support Services for a period of Three Years	Fixed amount for preparation of AFS and Rate Based for all other deliverables	17-04-23 18-04-23 21-04-23	08-06-23	15-06-23	100%	Service Provider appointed on the 15 June 2023	No Variance	n/a	n/a
17	39/2022-2023T	Silver Lake Trading 305 (Pty) Ltd T/A Opulentia Financial Services	Provision of Short-Term Insurance Services	Quoted Amount, Inclusive of VAT	24-04-23 25-04-23	12-06-23	15-06-23	100%	Service Provider appointed on the 15 June 2023	No Variance	n/a	n/a

18	45/2022-2023T	Charmaine Van Schalkwyk Consulting	Facilitation and Reporting on the Performance Evaluations of Senior Managers and Staff for 2020-2021 and 2021-2022 Financial Year.	Rates Based	15-05-23 18-05-23	12-06-23	19-06-23	100%	Service Provider appointed on the 19 June 2023	No Variance	n/a	n/a
#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
19	10/2020-2021	NLG Group	Renovations to Barkly East Town Hall and Municipal Offices	R8,428,058.28	27-01-21	09-04-21	11-02-23	100%	The Contractor was appointed on 11th February 2023	No Variance	n/a	n/a
20	97/2021-2022T	Nepa (Pty) Ltd	Lady Grey Solid Waste Site	R9,643,245.65	25-08-21	22-02-22	26-04-23	100%	A new Contractor was appointed on the 26 April 2023	No Variance	n/a	n/a
21	06/2022-2023T	Nsovo Construction (Pty) Ltd	Construction of the Starkspruit Driving Licence Testing Centre	R39,824,578.26	03-03-23 07-03-23	26-04-23 02-05-23 03-05-23 04-05-23 15-05-23	15-06-23	100%	The Contractor was appointed on the 15 June 2023.	No Variance	n/a	n/a

22	84/2021-2022T	Sonke Sanda JV Vuba Imagineers	Civil Engineering Services: Panel of Professional and Consulting Engineering Services for period of three years	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a
23	84/2021-2022T	Uphuhiso Nohlumo (PTY)LTD	Civil Engineering Services: Panel of Professional and Consulting Engineering Services for period of three years	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a
#	NOTICE NO.	NAME OF THE SERVICE PROVIDER	DESCRIPTION	CONTRACT VALUE	DATE OF SPECIFICATION	DATE OF EVALUATION	DATE OF ADJUDICATION	PROGRESS/ACHIEVEMENT OF TARGETS	LEVEL OF SERVICES	REASON FOR VARIANCE ON TARGET	ACTION TO REMEDY VARIANCE	TIMEFRAMES TO CORRECT VARIANCE
24	85/2021-2022T	MBSA Consulting cc	Electrical Engineering Services: Panel of Professional and Consulting Engineering Services for a period of three years.	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a
25	86/2021-2022T	Black Mountain Consulting Engineers (Pty) Ltd	Panel of Building Sport and Recreational Facilities Consultants for a period of three years.	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a

26	87/2021-2022T	Envirolution Consulting (Pty) Ltd	Panel of Environmental Consultants for a period of three years.	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a
27	87/2021-2022T	Ikamva Consulting	Panel of Environmental Consultants for a period of three years.	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a
28	87/2021-2022T	Abantu Environmental (Pty) Ltd	Panel of Environmental Consultants for a period of three years. - Environmental Impact Assessment and Geotechnical Investigation at Bluegum Sport Stadium.	Rates Based	N/A	N/A	N/A	100%	The consultant was awarded the project on the 30 September 2022.	Tender Document	No Variance	n/a

Management of Service Provider

The Manager: Acquisition, Contract Management and Vendor Performance manages, monitors and reports on the issues related to scope of functioning within the Acquisition, Inventory, Contract Management and Vendor Performance, the reporting is further not just limited to the performance of contracts, deviations and all other related aspects are covered as deemed appropriate. These reports monitored by the Manager: Acquisition, Contract Management and Vendor Performance are tabled to the Mayor and the Council.

Operational Contracts that will Expire

There are 8 non-infrastructure contracts that will expire within 6 months from the end of the financial year under review i.e., 30 June 2023.

The user departments are to start on new procurement processes to obtain the services and goods that will still be needed when the contracts expire.

#	Notice No.	Name of Service Provider	Description of goods/services	Contract Value	Term of Contract	Start Date	End Date
1	126/2018-2019	Mun-acon/Siyanda Business Solutions	Preparation of Annual Financial Statements	R 3,806,218.00	3 years	06 July 2020	06 July 2023
2	46/2020-2021	Max-Prof	Tax Advisory and VAT Recovery Services	VAT Inclusive Rates	3 years	18 September 2020	17 September 2023
3	20/2020-2021	Ebusha General Trading (Pty) Ltd	Purchase and delivery of tar coated poles	VAT Inclusive Rates	3 years	07 December 2020	07 December 2023
4	21/2020-2021	Masiqhame Trading 787 cc	Purchase and delivery of MV and LV overhead line material	VAT Inclusive Rates	3 years	07 December 2020	07 December 2023

#	Notice No.	Name of Service Provider	Description of goods/services	Contract Value	Term of Contract	Start Date	End Date
5	22/2020-2021	Sikhumbulanathi Trading (Pty) Ltd	Purchase and delivery of lighting material	VAT Inclusive Rates	3 years	07 December 2020	07 December 2023
6	36/2020-2021	SNR Electrical cc	Purchase and delivery of pillar boxes for electrical equipment and meters	VAT Inclusive Rates	3 years	07 December 2020	07 December 2023
7	176/2020-2021	SN Solutions and Consultancy	Provision and support of Microsoft office 365 business standard and antivirus software "Professional PDF Converter, SSL Certificate Licences for 3 years	R 597,100.00	3 years	07 December 2020	07 December 2023
8	45/2022-2023T	Charmaine Van Schalkwyk Consulting	Facilitation and Reporting on the Performance Evaluations of Senior Managers and Staff for 2020-2021 and 2021-2022 Financial Year.	Rates Based	3 months	19 June 2023	18 September 2023

Deviations Approved by the Accounting Officer

Regulation 36(1) of the Municipal Supply Chain Management Regulations, 2005, allows the accounting officer to dispense with the official procurement processes.

There were nine (9) deviations from the SCM processes incurred in terms of regulation 36(1)(a) of the Municipal Supply Chain Management Regulations.

Furthermore, there were no transaction treated as a minor breach in terms of regulation 36(1)(b) of the Supply Chain Management Regulation.

#	Date/ Period of Deviation	Supplier	Total Amount	Department	Reason for deviation	Action plan to prevent deviation from recurring
1	01/07/22 to 31/12/22	G4s	R132 000.00	Finance Services (Revenue)	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The cash collection services will be incorporated in bank services tender. A Service Provider was subsequently appointed.
2	01/07/22 to 31/12/22	Utilities World	R144 000.00	Finance Services (Revenue)	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality is planning to go out on tender, Draft specification has been developed with the assistance of an SCM Technical Advisor. A Service Provider was subsequently appointed.
3	01/07/22 to 30/09/22	Lunika Chartered Accountants & Auditors	R284 916.00	MM's Office (Internal Audit)	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality intends to capacitate the IA unit as a matter of urgency. The dispute as discussed above are currently being attended by the accounting officer. Furthermore, the municipality will source the services of consultants as Treasury has given guidance that organs of state may continue with their procurement processes.

#	Date/ Period	Supplier	Total Amount	Department	Reason for deviation	Action plan to prevent deviation from recurring
4	01/07/22 to 31/12/22	Umhlababa Valuers	R 5 4 2 000.00	Finance Services (Revenue)	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality developed new standard operating procedures and support documentation and has based the new tender documentation that have been developed on the new tender template. It should be noted that the is an intention to utilize the shortest period possible to appoint a service provider in a legally compliant manner to minimize cost related to this deviation. An advert will be placed for procurement of property valuer in accordance with Municipal Property Rates Act no.6 of 2004 to be aligned to the valuation period.
5	26/07/22 to 26/01/23	Tiso Blackstar (Arena Holdings)	R 2 3 9 685.24	Corporate Services	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality is in a process of implementing what has been advised to prevent future deviations.
6	01/07/22 to 31/12/22	Inzalo EMS	R1 915 583.80	Finance Services	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality developed new standard operating procedures and support documentation and has based the new tender documentation that have been developed on the new tender template. It should be noted that the is an intention to utilize the shortest period possible to appoint a service provider in a legally compliant manner to minimize cost related to this deviation.

#	Date/ Period of Deviation	Supplier	Total Amount	Department	Reason for deviation	Action plan to prevent deviation from recurring
7	05/08/22 to 05/11/22	Vorster Filling Station and Sterkspruit Garage	Rates based on available budget	Technical Services Fleet	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The contract for the procurement of fuel will be advertised for a period of three years and the specification will be formulated in consultation with the Supply Chain Management Unit. The motion of consultation will commence on the week ending 12/08/2022. It is planned that an advert goes out before the end of August 2022.
8	19/09/ 22	South African Monitoring & Evaluation Association	R 6500.00	MM's Office	The deviation is in terms of regulation 36 (1)(a)(ii) of the Municipal Supply Chain Management Regulations. SAMEA is the only professionally body that provides monitoring and evaluation conferences (updates and capacity building) in the field in South Africa.	A plan is made to appoint a service provider to prevent future deviations. There is a service provider that assist with facilitating attendance of trainings and conferences.

9	10/02/23 to 10/07/23	Tiso Blackstar (Arena Holdings)	R122 224.14	Corporate Services	The deviation is in terms of Municipal Supply Chain Management Regulations, regulation 36 (1)(a)(v) – In an exceptional case where it is impractical or impossible to follow the Supply Chain Management Policy.	The municipality through its Communication Section is in the process of establishing how to best procure a service provider that will assist in the placement of amongst other materials on various publications.
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Unauthorised and Irregular Expenditure on all procurement thresholds

There were eleven (11) transactions that resulted in irregular expenditure in the 2022/2023 financial year.

#	Date of discovery	Date reported to Accounting Officer	Date of Payment	Supplier	Amount	Department	Description of Incident	Type of expenditure
1	31 August 2022	01 September 2022	15 September 2021	Diversity Technical Training Institute	R104 100.00	Corporate Services	The payment was in contravention with regulation 12(3) of the Municipal Supply Chain Management Regulations. Requests for services (training) were split into five different requests (quotations), therefore, a 3-quote procurement range (R2 001 - R30 000) was followed for each training intervention instead of the seven-days' notice procurement range (R30 001 – R200 000) for all.	Irregular Expenditure
2	20 May 2023	07 June 2023	08 June 2023	Tyremart Aliwal North (Celeba)	R5 950.02	MM's Office	The transaction was in contravention with regulation 13 and 16(a) of the Municipal Supply Chain Management (SCM) Regulation. The SCM procurement processes were not followed.	Irregular Expenditure

#	Date of discovery	Date reported to Accounting Officer	Date of Payment	Supplier	Amount	Department	Description of Incident	Type of expenditure
	12 June 2023	03 July 202	07 June 202	Vorster Filling Station	R1 992.30 R1 992.30 R1 992.30 R1 992.30 Total amount is R7 969.20	Community Services (Waste)	The transaction was in contravention with regulation 13(b) and 43 of the Municipal Supply Chain Management Regulations. Diesel purchase orders were approved for the Reopix Garage; however, the order/s were used at Vorster Filling Station instead of the Reopix Garage.	Irregular Expenditure
4	02 May 2023	30 June 2023	11 July 2022 – April 2023	ICT Sphere Solutions	R677 368.30	Finance Services (ICT)	The transaction was in contravention with regulation 27(2)(g) of the Municipal Supply Chain Management Regulations. Goods procured were not part of the goods/items on the approved specification.	Irregular Expenditure
5	June 2023	August 2023	December 2022	SKC Masakhizwe Engineers	R116 674.46	Technical Services (PMU)	The transaction was in contravention with section 306 and 408(vii) of the Supply Chain Management Policy and MFMA Circular No. 62.	Irregular Expenditure
6	January 2023	August 2023	December 2022 and March 2023	Lehakwe Travel and Events Management	R377 400.56	DTPS	The procurement process was in contravention with the Municipal Supply Chain Management Regulations	Irregular Expenditure

7	09 June 2023	August 2023	21 June 2023	Sphere ICT Solution	R106 006.08	Finance Services (ICT)	The transaction was in contravention with regulation 27(2)(g) of the Municipal Supply Chain Management Regulations. Goods procured were not part of the goods/items on the approved specification.	Irregular Expenditure
8	July 2023	August 2023	August 2022 to January 2023	Imbokotho Mkhonto Security Services	R1 989 290.72	Corporate Services	The extended use of the deviation was in contravention with regulation 36 of the Municipal Supply Chain Management Regulations as reported by Auditor General South Africa.	Irregular Expenditure

#	Date of discovery	Date reported to Accounting Officer	Date of Payment	Supplier	Amount	Department	Description of Incident	Type of expenditure
9	July 2023	August 2023	July 2022 to July 2023	Inzalo EMS	R3 883 026.96	Finance Services	The extended use of the deviation/s was in contravention with regulation 36 of the Municipal Supply Chain Management Regulations as reported by Auditor General South Africa.	Irregular Expenditure
10	July 2023	August 2023	19 July 2023	Quick Save Security Services	R224 905.36	Corporate Services	The transaction was in contravention with regulation 27(2)(g) of the Municipal Supply Chain Management Regulations. The number of guards allocated in January 2023 were more than the guards on the approved specification.	Irregular Expenditure
11	November 2023	November 2023	Various Dates	Various Suppliers	R7 040 151.00	Various Departments	There were various transactions incurred during the month of July 2022 to December 2022 that were in contravention with regulation 13(c) of the Municipal Supply Chain Management Regulations.	Irregular Expenditure

Fruitless and Wasteful Expenditure

There were eleven (11) transactions that resulted to fruitless and wasteful expenditure in the 2022/2023 financial year.

#	Receipt Date	Date of discovery	Date reported to	Supplier	License Number	Amount	Department	Description of Incident	Type of expenditure
1	23/09/22	29/06/23	03/07/23	National Road Traffic (RTMC)	FZV484EC	R4 000.80	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
2	22/11/22	29/06/23	03/07/23	National Road Traffic (RTMC)	FRZ132EC	R3 425.50	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
3	22/11/22	29/06/23	03/07/23	National Road Traffic (RTMC)	HJM676EC	R1 711.90	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
4	17/12/2022	26/05/23	08/2023	Kgompho Civils (Pty) Ltd	N/A	R1 800 000.00	Technical Services (PMU)	Advance payment, work was not done before termination of contract.	Fruitless & Wasteful Expenditure
5	19/12/22	29/06/23	03/07/23	National Road Traffic (RTMC)	FZV476EC	R10 677.70	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure

#	Receipt Date	Date of discovery	Date reported to Accounting Officer	Supplier	License Number	Amount	Department	Description of Incident	Type of expenditure
6	30/03/23	29/06/23	03/07/23	National Road Traffic (RTMC)	HRG915EC	R1 035.60	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
7	30/03/23	29/06/23	03/07/23	National Road Traffic (RTMC)	HWF133EC	R100.80	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
8	03/04/23	29/06/23	03/07/23	National Road Traffic (RTMC)	DWK242EC	R2 572.10	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
9	26/05/23	29/06/23	03/07/23	National Road Traffic (RTMC)	FKR791EC	R140.40	Technical Services (Fleet)	Penalties were charged due to late payment.	Fruitless & Wasteful Expenditure
10	01/03/22 to 06/07/23	31/07/23	08/2023	South African Revenue Service (SARS)	N/A	R15 420.12	Finance Services	Interest charged on employment taxes.	Fruitless & Wasteful Expenditure

24/05/23	07/2023	08/2023	South African Local Authorities (SALA) Pension Fund	N/A	R24 042.46	Finance Services	Interest charged on employer's pension contribution.	Fruitless & Wasteful Expenditure
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The contract register is managed, monitored, and reported on. It is broken down into Non-Infrastructure Register (containing operational projects) and the Infrastructure Register (containing PMU/Technical projects)

A system to manage and rate service providers is incorporated in the revised Performance Management Policy / Framework policy as approved in October 2018. The challenges around application and implementation do still exist. Directorates are currently ensuring that all performance protocols are followed prior to processing an invoice. The performance of service providers will for some time remain an ongoing challenge due to the subjectivity of the exercise.

All project managers are legislatively duty bound to manage and report on the performance of their service providers honestly, and heads of departments must equally verify the reported information per project.

Reporting received from directorates and or project managers (submitted to Supply Chain Management – SCM) must be at the required level as this not only a critical function – for operational reasons only but is legislatively bound.

Procedure in place to manage and rate service providers.

Directors or appointed Project Managers of Service Providers are required to report monthly to the SCM unit against predetermined and specific measurable targets and outcomes. These may be different in the case of external funding. In this manner it will be ensured that all service providers deliver on services in a manner that meets all required standards.

All Directors or appointed Project Managers must confirm the required levels of reporting with the SCM unit.

No service provider payment can be made without the acknowledgement that the required outcomes were achieved; and

Service provider reporting is to be consolidated and reported on quarterly basis and used to input into the Annual Report, s46 Report and the s72 Report.

Currently the SCM Manager in conjunction with relevant Directorates ensures that certain performance protocols are followed before an invoice is processed. The performance of service providers will for some time remain an ongoing challenge.

Appendix J: DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2022 to 30 June 2023		
Position	Name	Description of financial interest Nil or provide details
PR CLLR/ MAYOR	V.V STOKHWE	Nil
PR CLLR/ SPEAKER	N.R GWABENI	Nil
WARD COUNCILLOR	T. MBANE	Nil
WARD COUNCILLOR	P MMELE	Lidino Trading 577Cc & Dinare Training skills Lebohang Mmele- Lebo Dinare PTY LTD
WARD COUNCILLOR	S.M NTLWATINI	Nil
WARD COUNCILLOR	M MBIJEKA	Nil
WARD COUNCILLOR	Z MNISI	Nil
WARD COUNCILLOR	M MBUTYU	Nil
WARD COUNCILLOR	Z MANGCIPU	Nil
WARD COUNCILLOR	K.S MPITI-XHELESHA	Nil
WARD COUNCILLOR	J.D SOMSILA	Nil
WARD COUNCILLOR	S MFISA	Nil
WARD COUNCILLOR	T NONJOLA	Herschel Independent (NPC), ENT Consortium (Community Development), Ithemba Lamahlubi (NPO- Community Development) Supper Life Agent
WARD COUNCILLOR	B DUBA	Nil
WARD COUNCILLOR	M KAFILE	Nil
WARD COUNCILLOR	TM. DUMZELA	Mcebisi Dumzela Owns Qobo projects- General trading
WARD COUNCILLOR	M PHUZA	Shares at Ilanga Libalele Communications 50% shares. Additional salary from DSTV (doing installations)
WARD COUNCILLOR	M.A MSHASHA	Nil
WARD COUNCILLOR	A MVELASE	Abongile Mvelase -Brother. Cynthia Mvelase- Mother (own Abednego Mvelase Constructors)
PR COUNCILLOR	X.G MAGCAI	Nil
PR COUNCILLOR	N NYONGWANA	Nil
PR COUNCILLOR	L NONGOGO	Qukeza trading Enterprise PTY LTD- Company does catering, construction and Provide Rooms for Rental

PR COUNCILLOR	MN NGENDANE	Bulelwa Ngendane -Sister with company(Area of specialisation not specified)
PR COUNCILLOR	SL NDAKISA	1. Jonkisa Waste Solutions PTY (LTD) 2. Vital moments PTY (LTD)
PR COUNCILLOR	B MBONJWA	24 Greyvenstein Street Barkly east, Property let out for rental.
PR COUNCILLOR	M.N MGOJO	Nil
PR COUNCILLOR	N.M PHAMA	Supper Life Agent
PR COUNCILLOR	ZR MXOLI	Nil
PR COUNCILLOR	MJ MOAHLOLI	Nil
PR COUNCILLOR	N NGENDANE	Nil
PR COUNCILLOR	TJ MADIENE	Nil
PR COUNCILLOR	N JANUARY	Lizo January- brother owning Taxis
PR COUNCILLOR	BP NGAMLANA	Nil
PR COUNCILLOR	B Lawu	Mother: Nomalinge Siwayi - Owns Injongo Supply and Goods

APPENDIX J: DISCLOSURES OF FINANCIAL INTERESTS (Cont.)

DISCLOSURES OF FINANCIAL INTEREST (Disclosed in the AFS)		
PERIOD 1 July 2022 to 30 June 2023		
Position	Name	Description of financial interest Nil or provide details
Municipal Manager	M.M. Yawa	Director at Joe Gqabi Development Agency Director at Amaqadi Trust Director at Ndosina Investment Holdings Remuneration from the IEC during non-election period and election period Estate - Van Zyl Street Dordrecht 5435 Spouse salary Emalaheni Municipality
Director: Technical Services	Ranko Ruiters	Best Thought Trading and Project 312
Director: Corporate Services	Z. Koyana	Shareholder at GLS Properties (25%) Directorship at Lwazi Capital Property: 57 and 292 Main Street (25%), GLS Properties (25%); and Fort Hook (B&B)(25%) 26 Eton Park, Sandhurst (100%) My siblings could be Directors of various companies that I am not aware of at this point in time. Will provide same when I become aware e.g. saw in one of the bid documents that my sister is a Director of Work dynamics.
Director: Community Services	N. Nyezi	Zetzaa Deco Landscaping and Catering (De-registered) Ayanda Nyezi - Premium Care
CFO	K Fourie	Uncle: Collin Theron - Lady Grey Joinery & Construction and Copper Leaf Trading. Uncle: Leon Theron - Lady Grey Joinery & Construction
Director: Development & Town Planning Services	S Chaphi	YWBN Mutual Bank, Balwin Properties Ltd, Distell Group Holdings Ltd, Gold Fields Ltd, and Sun International Ltd Brothers for Lone Foundation (NPO) Private consultation - Property Development Town and Regional Planning Services

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2021/2022 and previous financial years with the Original and Adjusted Budget:

REVENUE	ORIGINAL BUDGET 2023	BUDGET ADJUSTMENTS 2023	FINAL BUDGET 2023	ACTUAL OUTCOME 2023	BUDGET VARIANCE 2023	RESTATED OUTCOME 2022
Governance and administration	144,828,577.00	8,128,720	152,957,297	232,997,458	80,040,161	202,094,194
Executive and council	6,797,471	-	6,797,471	263,978	-6,533,493	106,656,296
Finance and administration	138,031,106	8,128,720	146,159,826	232,733,480	86,573,654	95,437,898
Internal audit	-	-	-	-	-	-
Community and public safety	6,719,777.00	-1,596,001	5,123,776	1,627,931	-3,495,845	1,620,647
Community and social services	2,257,448.00	-606,000	1,651,448	1,567,429	-84,019	1,576,266
Sport and recreation	2,089.00	-	2,089	1,050	-1,039	1,793
Public safety	4,460,240.00	-990,001	3,470,239	59,452	-3,410,787	42,589
Housing	-	-	-	-	-	-
Economic and environmental services	49,313,324	-352,833	48,960,491	45,477,730	-3,482,761	36,020,361
Planning and development	9,705,002	-477,152	9,227,850	6,386,435	-2,841,415	5,631,215
Road transport	39,608,322	124,319	39,732,641	39,091,295	-641,346	30,389,146
Trading services	146,474,681	-11,997,002	134,477,679	63,390,403	-71,087,276	62,180,108
Energy sources	98,714,819	-11,450,000	87,264,819	50,113,489	-37,151,330	49,579,720
Waste management	47,759,862	-547,002	47,212,860	13,276,914	-33,935,946	12,600,388
Other	333,254	-2,540	330,714	568,597	237,883	4,648,873
Total Revenue-Standard	347,669,613	-5,819,656	341,849,957	344,062,119	2,212,162	306,564,183

appendix k (i): REVENUE COLLECTION BY SOURCE 2022 /2023

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below

REVENUE BY SOURCE	ORIGINAL BUDGET 2023	BUDGET ADJUSTMENTS 2023	FINAL BUDGET 2023	ACTUAL OUTCOME 2023	BUDGET VARIANCE 2023	RESTATED OUTCOME 2022
Property rates	14,319,635	1,870,446	16,190,081	17,330,716	1,140,635	15,497,080
Service charges	74,729,954	-13,150,000	61,579,954	53,643,060	-7,936,894	57,104,457
Rental of facilities and equipment	1,238,407	575,274	1,813,681	1,475,736	-337,945	1,482,076
Interest earned-external investments	17,599,080	5,000,000	22,599,080	32,208,528	9,609,448	17,805,824
Interest earned-outstanding debtors	4,421,378	1,650,000	6,071,378	6,471,889	400,511	4,276,285
Fines	210,368	-140,000	70,368	915,394	845,026	2,084,302
Licences and permits	1,253,833	97,460	1,351,293	1,300,733	-50,560	1,255,686
Agency services	2,313,323	-800,000	1,513,323	1,204,135	-309,188	1,200,192
Transfers recognised-operational	192,227,174	-495,152	191,732,022	188,851,545	-2,880,477	179,561,633
Other revenue	1,408,635	-545,003	863,632	6,294,619	5,430,987	1,724,771
Total Revenue(excluding capital transfers and contributions)	309,721,787	-5,936,975	303,784,812	309,696,355	5,911,543	281,992,305

Appendix L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG 2022 /2023

NB: SEE ATTACHED AUDITED AFS

CONDITIONAL GRANTS	2023 R	2022 R	2021 R	2020 R
EPWP (Expanded Public Works Program)	1,658,000	2,566,000	2,617,000	2,384,000
Libraries	1,500,000	1,500,000	1,500,000	1,500,000
FMG (Finance Management grant)	1,650,000	1,650,000	1,700,000	1,700,000
Disaster relief grant	6,400,000	-	-	-
Greenest Municipality	300,000	500,000	-	200,000
	11,508,000	6,216,000	5,817,000	5,784,000

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M – M (I) AND M(II): CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 2022/2023

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

Description R thousand	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Infrastructure	43,358	19,158	35,477	73,295	77,677	77,677	73,295	77,677	77,677	82,881	91,663	89,705	82,881	91,663	89,705
Roads Infrastructure	18,732	7,732	3,267	17,108	17,757	17,757	17,108	17,757	17,757	20,665	32,009	48,152	20,665	32,009	48,152
Storm water Infrastructure	-	-	-	5,640	3,640	3,640	5,640	3,640	3,640	7,200	10,600	5,000	7,200	10,600	5,000
Electrical Infrastructure	1,967	2,254	1,173	1,880	2,197	2,197	1,880	2,197	2,197	1,800	5,259	7,157	1,800	5,259	7,157
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	8,925	3,871	16,473	17,340	15,917	15,917	17,340	15,917	15,917	5,400	4,160	20,843	5,400	4,160	20,843
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	29,624	13,857	23,073	41,968	39,511	39,511	41,968	39,511	39,511	35,065	52,027	81,151	35,065	52,027	81,151
Community Facilities	2,426	1,869	6,070	16,037	17,407	17,407	16,037	17,407	17,407	10,820	4,300	600	10,820	4,300	600
Sport and Recreation Facilities	-	-	-	2,500	357	357	2,500	357	357	-	6,310	-	-	6,310	-
Community Assets	2,426	1,869	6,070	18,537	17,764	17,764	18,537	17,764	17,764	10,820	10,610	600	10,820	10,610	600
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Non-revenue Generating	-	-	-	-	-	-	-	-	-	478	33	5,467	1,977
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	8,853	1,565	8,853	1,565	-	103	103	772	183	27	1,123	38	1,304
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix N: CAPITAL PROGRAMME BY PROJECT YEAR 2022/2023 Audited

Capital Additions for the financial year 2022/2023 reflected below. The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

CAPITAL 2022/23	R
DLTC in Sterkspruit	3 895 983.90
New Rest Paving	34 543 524.59
Transwilger Bridge Renewal	1 880 000.00
Inter-lock paving Kwezi-Naledi	7 123 329.76
Licensing of Borrow Pits at different wards	950 000.00
Tienbank 70 accesses to property	400 000.00
Lining and fencing and upgrading of primary stormwater channels in LG	3 640 000.00
Construction of Herschel Community Hall	3 900 218.54
Herschel – Solid Landfill Site	2 820 000.00
Rossouw Solid Landfill Site	7 837 338.10
Construction of Transfer Site - Rhodes	200 000.00
Barkly east Solid Landfill Site	890 061
Upgrading of Lady Grey Solid Waste Site	6 928 030.30
Renovation Town Hall Barkly East	14 534 849.62
Barkly East Cemetery	9 862 247.09
Fencing of Existing Cemeteries in Joveleni, Hinana, and Voyizana	306 857.00
Construction of Bluegums Sportfield	357 015.60
Installation of Power Backup System	5 000 000.00
Construction of staff change rooms in Lady Grey	634 309.18
Plant & Equipment	14 351
Computer Equipment	571 928
Furniture & Office Equipment	183 256
TOTAL	18 831 688

Appendix O: CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2022/2023* AUDITED

DESCRIPTION	2022/2023
R thousand	Actual 2022/2023
Infrastructure	13 508 335
Roads, Pavements & Bridges	6 184 306
Storm water	1 199 426
Electricity	2 253 865
Waste Management	3 870 738
Community	2 085 356
Parks & gardens	-
Node Development	348 698
Cemeteries	1 736 658
Other assets	2 454 194
General vehicles	770 968
Plant & equipment	14 351
Computers - hardware/equipment	571 928
Furniture and other office equipment	183 256
Other Buildings	1 697 493
Intangibles	102 717
Computers - software & programming	102 717
Total Capital Expenditure	18 934 405

Appendix P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

WARD 1	
Mbobo J.S.S	Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall
Bikizana J.S.S.	Toilets, Water, Sports Ground One block is a mud Structure and Access Roads
Walaza J.S.S.	Admin Block not in good condition Toilets are falling apart. No Sport Grounds, No Furniture
Ndofela J.S.S.	Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block
Nxasana S.P.S.	Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture
Governors Drift	Mud structure, Admin block, Fencing Water Supply, Access Roads,
WARD 2	
Qheshane, Qhemerha, Telle Junction, Kwa Gcina, Storomo, ST	Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library

appendix P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 3	
Ndingishe J.S.S.	5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing
Tlokweg S.S.S.	Toilets for Teachers, Admin Block, Library, Laboratory.
Mahedi J.S.S.	4 Additional classrooms, Administration Block
Hohobeng J.S.S. and Mmusong	Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage.
Tlhakong S.P.S.	Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away.
Ekra J.S.S	5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field.
Musong J.S.S	Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage.
MPoki S.P.S	Water Supply, Access Roads, No Network Coverage.
WARD 4	
Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe.	Water, 12 Schools 8 Schools need Toilets 8 schools need access roads All 14 need sports fields 5 schools need to be upgraded in terms of electricity 11 schools need fencing
WARD 5	
Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek.	Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those Schools with electricity
WARD 6	

Hoita, Majuba, Malgas, Mapolo, Thembalethu, Umlamli, Zingxengele, Bongoletu, Monwabisi, Phelandaba.	Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block
WARD 7	
Nyathela S.S.S	Mud Structure Fencing Sanitation Shortage of Classrooms
Tsakana S.P.S.	5 Classrooms need Renovations. Sanitation Water Supply Sports fields Fencing
Thaba Lesoba	Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields
WARD 7 (cont.)	
St Michaels	Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields
Mbolekwa S.P.S	Mud Structures Administration Block Sanitation, Water Supply Sports Fields
Egugwini J.S.S.	Toilets and Fencing

Macacuma S.P.S.	Sports Fields Fencing and Toilets Minor Renovations Water Supply
WARD 9	
Amaqwathu JSS	Administration Block
Luvumelwano S.S.	Administration Block 10 Classrooms
Voyizana SPS	Renovations of 13 Classrooms Administration Block
Ngquba JSS	Admin Block 4 Classrooms to be added. Renovations of 5 Classrooms
Jovelani S.P.S	Addition of 3 Classrooms
Sunduza J.S.S	Addition of 3 Toilets
	Common Challenges for Ward 9 Water Supply Sanitation Fencing Access Roads Sports Fields Library, Laboratory Upgrading of Electricity
WARD 10	
Bensonvaile JSS	Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road

Ekuzoleni JSS	6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Ngongodoville SPS	3 New Classrooms Major Renovations (building in the stat of collapsing) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
Nkululeko SSS	6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road
WARD 10 (cont.)	

Nomzamo (Sterkspruit) JSS	<p>15 New Classrooms</p> <p>Minor Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p>
Sterkspruit Community	<p>10 New Classrooms</p> <p>Minor Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Sterkspruit SSS	<p>25 New Classrooms (Declared that the building cannot be renovated)</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
Tapoleng JSS	<p>6 New Classrooms</p> <p>Minor Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
WARD 10 (cont.)	

Tienbank JSS	<p>5 New Classrooms</p> <p>Major Renovations</p> <p>Admin Block</p> <p>Library</p> <p>Laboratory</p> <p>Sanitation</p> <p>Fence</p> <p>Sporting Facilities</p> <p>Access Road</p>
WARD 11	
Herschel Village JSS	<p>Danger Zone School</p> <p>Electricity wires fallen out of ceiling</p> <p>Renovation</p> <p>Struck by disaster & nothing has happened since</p> <p>No fence</p> <p>Trees damaging school with roots</p>
Ezintatyaneni SP	<p>Administration Block</p> <p>Sanitation</p> <p>Fence</p> <p>Electricity (upgrade)</p> <p>Mud Structure (2)</p> <p>No playgrounds</p>
Dibinkonzo JSS	<p>Sanitation</p> <p>Fence</p> <p>Administration Block and Renovations</p> <p>Mud Structure</p> <p>Sport field</p>
Mehlomakhulu SSS	<p>Fence</p> <p>Water & Sanitation</p> <p>Renovations & Administration Block</p> <p>Sports Field</p> <p>Furniture for Learners</p>

St Marys	Water & Sanitation Access Road Sport Ground School Hall
WARD 10 (cont.)	
Hlanjwa SPS	Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence
Meyi JSS	Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster
Magumbu SPS	Sanitation Fence 5 Classrooms cracked all sides. Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road
Ebenezer Nyathi SSS	Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation. Water Admin Block 3 classroom 1 lab

Bamboesspruit JSS	Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep
WARD 12 (cont.)	
Entsimekweni JSS	Minor Renovations Flooring Fencing Access Road Sanitation
Nyaniso SPS	Flooring Fencing Water School Grounds
Manxeba JSS	3 Classrooms Water Fence School Grounds to be constructed Furniture
Mncunubeni JSS	5 Classrooms Sanitation & Water Fence Access Road Sport Ground

Jozana's Nek JSS	Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture
Jozana's Hoek	Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations
Magwiji JSS	6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture
Mrobongwana SPS	Water & Sanitation Playground Access Road Admin Block Furniture
WARD 12 (cont.)	
Hlomendlini JSS	Water & Sanitation Fence Play ground Furniture
MZOMHLE SSS	Water & Sanitation Access Roads Furniture Playgrounds Administration Block
WARD 13	

Khiba JSS	6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block
Skisazana JSS	Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road
Lungisani SPS	Access Road Water Fencing Sport Ground
Mbonisweni SPS	Fencing Access Road
Witterbergen SPS	Sport Ground Fencing Access Road Attention to be paid to a query next to school
Diphana SPS	Mud Structure Sanitation Fence Admin Block Access Road
WARD 13 (cont.)	

Witterbergen JSS	Principal's Office Fencing Sanitation Access Roads Sport Field Roofing
Zava SPS	Flooring Sanitation Prevention of soil erosion
Nkopane JSS	Fencing Major Renovations Water & Sanitation Sport Field
Nompumelelo SSS	Fencing Mud Structure Water & Sanitation Sport Ground Access Road
Mdlokovana JSS	Mud Structures Sporting Facilities Sanitation Fencing
WARD 14:	
Rossouw was promised a school 3 years ago	Farm schools need attention
WARD 15	
Mzondeki SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence
Sizamulwazi SPS	Sport Grounds 5 Classrooms
Sijorha SPS	No Buildings Water & Sanitation Access Road Playgrounds Fence

appendix P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS (CONT.)

WARD 15 (cont.)	
Luyolo SPS	No Proper Buildings Water & Sanitation Admin Block Access Road Playgrounds
Sakakude JSS	No Buildings Water & Sanitation Access Road Electricity Ceiling Fence
Impumelelo SSS	No Buildings Water & Sanitation Access Road Playgrounds Fence Electricity
Wartrail	Water & Sanitation Playgrounds
Malikhanye SSS	Sport Grounds Furniture Minor Renovations Fencing
Rhodes PS	School is Prefab Structure Toilets
Moshoeshoe's Ford	Structure falling apart. School on Private Property

Barkly East DRC P.S	2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview
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DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY: 2022/2023				
All Organisation or Person in receipt of Loans*/Grants* provided	Nature of Project	Conditions attached to funding	Value 2022/2023 R'000	Total Amount committed over previous and future years
Tourism support	Tourism	See Attached Contract	42	42
GRANTS PAID				42

SENQU MUNICIPALITY

SECTION 46 PERFORMANCE REPORT 2022-2023 (PRE DETERMINED IDP/SDBIP TARGETS)



LEGEN

KPA	Total-Number of KPI's Per KPA AREA	Number KPI's Exceeding Target	%KPI'S Exceeding Target	Number KPI's Meeting Target	%KPI'S Meeting Target	Number of KPI's Not Achieved	% of KPI's Not Achieved	Number-Targets Not Assessed or on Hold	Percentage Targets on Hold
Service Delivery	26	1	3.85%	10	38.46%	15	57.69%	0	0.00%
LED	6	1	16.67%	2	33.33%	3	50.00%	0	0.00%
Financial Viability	17	0	0.00%	12	70.59%	5	29.41%	0	0.00%
Municipal Transformation & Development	13	1	7.69%	9	69.23%	3	23.08%	0	0.00%
Good Governance & Public Participation	13	0	0.00%	9	69.23%	4	30.77%	0	0.00%
ENVIRONMENTAL AND SPATIAL MANAGEMENT	9	0	0.00%	3	33.33%	6	66.67%		
TOTAL	84	3	3.57%	43	51.19%	39	46.43%	0	0.00%



KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	ID Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE - 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/GENERAL COMMENTS
							ANNUAL TARGET	ACTUAL TARGET - 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET - 30 JUNE 2023		
To ensure that the traffic section operates effectively and efficiently	TRAFIC-BSD1	BSD01-01	Construction of a DLTC in Sterkspruit by June 2024	Contractor Appointed in 2021/22	Director Technical Services/ PMU Manager/ R3895983,90	DLTC constructed in Sterkspruit	Appointment of the Contractor	Target Not Met. The contractor was not appointed.	Advert for the procurement of the contractor and site Establishment	Target Not Met. The contractor was appointed on 01 June 2023	<p>The site had other people on it which needed to be moved to alternative locations for their operations. Adverts closed on the 13 April 2023 and the appointment of the contractor was done on the 14th June 2023. The contractor was given 14 days to comply with the pre-site establishments, however, by the end of June 2023 the site had not been fully handed over to the contractor hence the establishment had not been achieved.</p>	<p>This indicator was BSD01-04 in the 2021-2022 Financial Year. The site will be established in the first quarter of 2023/2024. In future projects which have sites that are occupied by other people must be included in the project plan.</p>

ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE - BSD2	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE - BSD2	BSD02-01	BSD02-02	BSD02-03	Maintenance of road infrastructure	100% Completion of roads as per the approved maintenance plan	Target Exceeded. Road Maintenance was 70% completed against the council approved maintenance plan.	100% Completion of roads as per the approved maintenance plan	Target Met. Dispute was resolved and a payment was made on the 12 Dec 2022.	Target Exceeded. Road maintenance was 267,23% completed against the council approved maintenance plan. This translates into 167% above the target.	Targets per ward are increased by ward councillors on site within the same time frames as outlined in the plan. As a result of the maintenance of the roads, most of the roads are in good condition and most of the roads are in good condition.	This is demand based target so it will always have varying results.	To provide sustainable
Renew Transwiler Bridge - September 2022.	Renew Transwiler Bridge - September 2022.	Director Technical/ Manager/ R1880 000,00	Director Technical/ Manager/ R453524,59	Director Technical/ Manager/ R1880 000,00	Bridge Renovation completed	Appointment of contractor, Site establishment & Earth works, Gabion structure and guardrails to the bridge.	Target Met. The contractor was appointed on 26 January 2022 and site establishment was completed.	Renewal of the Transwiler bridge	Target Met. The Bridge was renewed and completed.	Target Met. The Bridge was renewed and completed.	Targets per ward are increased by ward councillors on site within the same time frames as outlined in the plan. As a result of the maintenance of the roads, most of the roads are in good condition and most of the roads are in good condition.	This project was ready for the procurement of the contractor as the design was completed. Phase 1 of the project was completed as indicated. It was during the procurement process that the contractor that there was a dispute by one of the Consultant that was not successful in the project. The dispute was around the evaluation and adjudication of the bids based on the specifications where the main issue centered around insufficient quantification of the refinement of the scope of work. This dispute looking long time to be resolved and this had an effect on the actual implementation of the project. The dispute has since been resolved hence the project will proceed.	To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm

To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water											
ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE - BSD02											
BSD02-04	Construction of interlock paved streets (6km) in Khezwi Naledi (Steve Tsebe) W14 by June 2024	New	R7 123329,76	Paved Streets Constructed in Khezwi Naledi	Nota Target	Nota Target	Nota Target	Advert for the procurement of the contractor, Appointment of the contractor and site establishment	Target Not Met. The advert was done however, the appointment of the contractor and site establishment was not done.	The advert closed on 19 April 2023, however, an appointment letter had not yet been issued. This was due to different views that the Bid Committee had on some of the conditions that impeded the finalisation of the Bid, and the advice was sought from legal services.	The Municipal Manager has instructed the Bid Committee to store convene to consider the reasons for non-finalisation are not sufficient enough to not finalise the appointment. This Bid is therefore at the procurement process to consider the reasons raised.
BSD02-05	Licensing of borrow pits at different wards by June 2023	New	Director/Technical/PMU Manager R950000,00.	Borrow pits licensed	Nota Target	Nota Target	Licensing of borrow pits at different wards: Ward1 – Walaza Ndofolela Ward2 – Ohimira Palmet/Mahedi Ward3 – Ohoboshane Ekra Ward4 – Bebeza /Mabele Penhoek / Boomplaas Ward5 – Phelandaba Hillside Ward6 – Musong/ Mpoki Majuba /Bultfontein	Target Not Met. The licensing of borrow pits at various wards has not been done.	Identification of borrow pits was a challenge due to stakeholder disputes. The dispute remains unresolved.	There are planned future meetings with all relevant stakeholders and resolve the dispute.	
BSD02-06	Lining, fencing and upgrading of primary stormwater channels through Khezwi Naledi and upgrade of motor bridges	New indicator	Director/Technical/PMU Manager R3 640000,00	maintained stormwater infrastructure	Nota Target	Nota Target	Advert and Appointment of the Contractor	Target Not Met. The advert and appointment of the contractor was not done.	It was later discovered that the EIA Application had to be done in the project. The exclusion of the EIA at the initiation of the planning was due to the lack of oversight and poor planning.	EIA consultant has been identified from the panel of consultants to carry out the EIA Application and an appointment will be made in 2023/2024 financial year.	
BSD02-07	Construction of 70 access to properties in Tienbank by June 2024	110 access to property constructed	Director/Technical/PMU Manager/ R400000,00	70 accesses to properties constructed in Tienbank	Construction of 180 accesses to properties in Tienbank	Target Not Met: 110 access to properties are complete.	Advert and Appointment of the Contractor	Target Not Met. The advert and appointment of the contractor was not done.	Three quotes that were received were non-responsive.	The project will be re-advertised. The project will be moved to the new financial year. The Indicator was BSD02-04 in the 2021/2022 Financial Year	

To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water										
ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE - BSD02										
BSD02-04	Construction of interlock paved streets (6km) in Khezwi Naledi (Steve Tsebe) W14 by June 2024	New	R7 123329,76	Paved Streets Constructed in Khezwi Naledi	Nota Target	Nota Target	Advert for the procurement of the contractor, Appointment of the contractor and site establishment	Target Not Met. The advert was done however, the appointment of the contractor and site establishment was not done.	The advert closed on 19 April 2023, however, an appointment letter had not yet been issued. This was due to different views that the Bid Committee had on some of the conditions that impeded the finalisation of the Bid, and the advice was sought from legal services.	The Municipal Manager has instructed the Bid Committee to store convene to consider the reasons for non-finalisation are not sufficient enough to not finalise the appointment. This Bid is therefore at the procurement process to consider the reasons raised.
BSD02-05	Licensing of borrow pits at different wards by June 2023	New	Director/Technical/PMU Manager R950000,00.	Borrow pits licensed	Nota Target	Nota Target	Licensing of borrow pits at different wards: Ward1 – Walaza Ndofolela Ward2 – Ohimira Palmet/Mahedi Ward3 – Ohoboshane Ekra Ward4 – Bebeza /Mabele Penhoek / Boomplaas Ward5 – Phelandaba Hillside Ward6 – Musong/ Mpoki Majuba /Bultfontein	Target Not Met. The licensing of borrow pits at various wards has not been done.	Identification of borrow pits was a challenge due to stakeholder disputes. The dispute remains unresolved.	There are planned future meetings with all relevant stakeholders and resolve the dispute.
BSD02-06	Lining, fencing and upgrading of primary stormwater channels through Khezwi Naledi and upgrade of motor bridges	New indicator	Director/Technical/PMU Manager R3 640000,00	maintained stormwater infrastructure	Nota Target	Nota Target	Advert and Appointment of the Contractor	Target Not Met. The advert and appointment of the contractor was not done.	It was later discovered that the EIA Application had to be done in the project. The exclusion of the EIA at the initiation of the planning was due to the lack of oversight and poor planning.	EIA consultant has been identified from the panel of consultants to carry out the EIA Application and an appointment will be made in 2023/2024 financial year.
BSD02-07	Construction of 70 access to properties in Tienbank by June 2024	110 access to property constructed	Director/Technical/PMU Manager/ R400000,00	70 accesses to properties constructed in Tienbank	Construction of 180 accesses to properties in Tienbank	Target Not Met: 110 access to properties are complete.	Advert and Appointment of the Contractor	Target Not Met. The advert and appointment of the contractor was not done.	Three quotes that were received were non-responsive.	The project will be re-advertised. The project will be moved to the new financial year. The Indicator was BSD02-04 in the 2021/2022 Financial Year

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT												
STRATEGY	ID Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE: 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS
							ANNUAL-TARGET: 30 JUNE 2022	ACTUAL-TARGET: 30 JUNE 2022	ANNUAL-TARGET: 30 JUNE 2023	ACTUAL-TARGET: 30 JUNE 2023		
To ensure effective recreation management and maintenance of indoor recreation community facility	INDOOR RECREATIONAL COMMUNITY FACILITIES-BSD03	BSD03-01	Renovate Barkly East Town Hall by June 2023	Repairing of the Roof structure and plumbing was done in 2021/2022	Director Technical/ PMU Manager/ R14 534849.62	Facility renovated	Appointment of the Contractor and Site Establishment Repair Roof structure and plumbing.	Target Not Met. The contractor was appointed on 11 February 2022. Repair of the Roof structure and plumbing was not done.	Earthworks, waterproofing on existing roof, plastering, painting, sanding and varnishing of wooden floors and new tiling work were done.	Target Met. Earthworks, waterproofing on existing roof, plastering, painting, sanding and varnishing of wooden floors and new tiling work were done.	The project will be completed on 15th August 2023.	
			Construction of the Herschel Community Hall by June 2023	New	Director Technical/ PMU Manager/ R 3 900216.54	Facility renovated	Not a Target	Practical completion of the construction of the Herschel Community Hall	Target Not Met. Herschel Community Hall has not been completed. This means that there was 0% of work completed on this project.	There reasons for 0% on the works is because the consultant made an error of emailing a proforma of quantities to bidders and the project was cancelled and re-advertised.	The municipality sent correspondence emails of cancellation to all bidders who attended the tender. The correct BOQ has been prepared and submitted to the Supply Chain Unit for submission to the Bid Specification Committee. Once the committee approved the specifications, the project will be continued. Construction is anticipated to start before the end of December 2023.	

To ensure effective recreation management, construction, and maintenance of cemeteries	CEMETERIES AND BURIAL-BSD4	BSD4-01	Construction of New Cemetery in Barkly East by 30 June 2023	Completion of Road Work up to Base Layer, Laying of Kerbs, Marking of 50 Grave Plots in 2021/2022	Director Technical/ PMU Manager/ R 9 862247.09	Provide plots for burials	Appointment of the Contractor and Site Establishment. Completion of Road Work up to Base Layer, Laying of Kerbs, Marking of 50 Grave Plots	Target Met. The contractor was appointed on 11 February 2022 and the site was established. Completion of Road Work up to Base Layer, Laying of Kerbs, Marking of 50 Grave Plots were done.	Project Completion	Target Met. The practical completion was done on the 23 March 2023.	The indicator was BSD04-04 in the financial year 2021-2022.	
			Fencing of existing cemeteries at Jovelani, Hinaanaand-Voyizany by 30 June 2023	Finalised specification for the procurement of the contractor in 2021/2022	Director Technical/ PMU Manager/ R 306857.00	Provide plots for burials	Appointment of the Contractor and Site Establishment	Target Not Met. Appointment of the Contractor and Site Establishment was not done.	Completion of Fencing of existing cemeteries at Jovelani, Hinaanaand-Voyizana	Target Not Met. Fencing of the cemeteries was not done.	Target Not Met. Fencing of the cemeteries was not done.	Specifications have been corrected and have been sent to SCM for re-advertisement. The projects will be advertised in the first quarter of 2023/2024 financial year. Actual work is anticipated to commence before the end of December 2023.
To ensure effective recreation management, construction, and maintenance of sports fields	SPORTS-BSD5	BSD05-01	Construction of Bluegums sportsfield by June 2024	Environmental Assessment was done in 2021/2022	Director Technical/ PMU Manager/ R 357015.60	Constructing sportfield	Environmental Assessment	Target Not Met. Environmental Impact Assessment was not done.	EIA Completion and acquire ROD and procurement of the contractor	Target Not Met. EIA Completion was not done and ROD not acquired for the procurement of the contractor has not been done.	The indicator was BSD05-02 in the 2021-2022 Financial Year	
			Report on the Implementation of Library Services SLA with DSRAC by June 2023	4 Quarterly Reports on the Implementation of the SLA were submitted in 2021/2022	Director Community Services/ Manager/ R 0	Compliance with the SLA	4 Quarterly Reports on the Implementation of the SLA.	Target Met. 4 Quarterly Reports on the implementation of the SLA were submitted to DSRAC.	4 Quarterly Reports on the Implementation of the SLA	Target Met. 4 quarterly reports on the implementation of the SLA were submitted to the DSRAC.	Target Met. 4 quarterly reports on the implementation of the SLA were submitted to the DSRAC.	The indicator was BSD06-02 in the 2021-2022 Financial Year

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

STRATEGY	ID/Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/GENERAL COMMENTS	
							ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023			
To maintain the waste landfill site	LICENSING AND WASTE MANAGEMENT - RECYCLING BSD08	BSD07-01	Updating of Stock Register by June 2023	4 stock registers were updated in 2021/2022	Director Community Services/ Manager/ Amenities	Registered	Stock Register Quarterly Updated for all Commonages	Target Met. Stock Register was updated quarterly for all commonages.	Target Met. Quarterly reports on the updated stock register submitted to the standing committee.	Stock Register Quarterly Updated for all Commonages	Target Met. Quarterly reports on the updated stock register submitted to the standing committee.		
			Development of a Solid Waste Site in Ward 5 - Rössouwby 30 June 2023	950m perimeter fence and Digging of cells were done in 2021/2022	Director Technical/ PMU Manager/ R7 837338.1	Waste Site Developed	Appointment of the Contractor and Site Establishment. 950m perimeter fence and Digging of cells.	Target Not Met. The contractor was appointed on 11 February 2022 and the site was established. Fence completed was 190m.	Development of a Solid Waste Site in Ward 5 - Rössouwby has not been completed. Project completion is at 85%.	The performance of the contractor was very low. The only item remaining is reconnection. Project completion is at 95%.	Completion of the Development of a Solid Waste Site in Ward 5 - Rössouwby	Development of a Solid Waste Site in Ward 5 - Rössouwby has not been completed. Project completion is at 85%.	The contractor was subjected to penalties and intent to terminate the contract. The indicator was BSD08-02 in the financial year 2021-2022
			Development of a Solid Waste Site in Ward 13 - Herschel by September 2022	The project was advertised and the Contractor was appointed in 2021/2022	Director Technical Services/ PMU Manager/ R2820000.00	Waste Site Developed	Site establishment and earthworks, 3200m perimeter fencing, 1200m access road, Digging of cells, Linings, completion of the Guard house.	Target Met. The site has been established and earthworks were done. 3200m perimeter fencing was done. 1200m of access road was done. Digging of cells, Linings and completion of the Guard house was done.	Completion of the Development of a Solid Waste Site in Ward 13 - Herschel	Target Met. The project was completed. The practical completion certificate was issued on the 5 Aug 2022.	The indicator was BSD08-03 in the financial year 2021-2022		

To effectively manage and reduce waste	WASTE MANAGEMENT-RECYCLING BSD08	BSD08-03	Upgrading of the Lady Grey Solid Waste Site by June 2023	Digging of cells, Linings, completion of the Guard house was done in 2021/2022	Director Technical Services/ PMU Manager/ R6928030.30	Waste Site Developed	Site establishment and earthworks, 3200m perimeter fencing, 1200m access road, Digging of cells, Linings, completion of the Guard house	Target Met. The site has been established and earthworks were done. 3200m perimeter fencing was done. 1200m of access road was done. Digging of cells, Linings and completion of the Guard house was done.	Target Not Met. Lining of cells and installation of smart coil was not done. The project was not completed.	Completion of Lining of cells and installation of smart coil. Project completion	The contractor was terminated on the 3rd April 2023 due to non-performance and poor workmanship.	The new contractor was appointed on the 26th April 2023. The project should be completed by June 2024. The indicator was BSD08-04 in the financial year 2021-2022
			Construction of Transfer Station in Rhodes by June 2023	New	Director Technical/ PMU Manager/ R2000000.00	Waste Site Upgraded to be NEMA-Compliant	Appointment of the Contractor and Site Establishment. Finalisation of paving, repairing, installation of alarms system, lining of 1 cell, installing of steel structure.	Target Not Met. The contractor was appointed on 23 February 2022 and the site was established.	Target Met. The preliminary designs were done.	Appointment of a Consultant and Preliminary Designs	Initially the project was sold wise site but it was later changed to a transfer station.	

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT											
STRATEGY	ID Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS
							ANNUAL TARGET- 30 JUNE 2022	ACTUAL TARGET- 30 JUNE 2022	ANNUAL TARGET- 30 JUNE 2023	ACTUAL TARGET- 30 JUNE 2023	
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection	WASTE MANAGEMENT - RECYCLING BSD08	BSD08-05	% of refuse removal on households by June 2023	15.94% of refuse removal on households	Director Community Services/ Manager Waste	Number of people with access to free basic refuse removal	1 Annual Report on the percentage of households with access to basic level of refuse removal.	Target Met. 1 Annual Report on the percentage of households with access to basic level of refuse removal was submitted. There were 1307 households which had access to basic level of refuse removal.	15.94% of refuse removal on households	Target Met. 15.94%	The percentage remains the same as last year because there were no new households added.
			Review of the IWMP by June 2023	2013/2018 IWMP	Director Community Services/ Manager Waste	Council/Approved/ Integrated Waste Management Plan	Nota Target	Nota Target	IWMP reviewed	Target Met. The IWMP was not reviewed because the municipality needed to have a consultant appointed to conduct the study.	Provincial Treasury provided guidance on the use of consultants which are on a panel, and this delayed the appointment of a consultant panel.
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES BSD-09	BSD09-01	Report on the percentage of households earning less than 2 state pension fund per month with access to free basic services by June 2023	1 Annual Report was tabled - 31,04% of our surveyed consumers are registered as indigent consumers in 2021/2022	CFO/ Manager Revenue/R	Number of indigent people approved for free basic electricity	1 Annual Report on the percentage of households earning less than 2 state pension fund per month with access to free basic services submitted.	Target Met. The report was submitted stating 39% of households earning less than 2 state pension fund per month with access to free basic services was achieved.	39% of household earning less than 2 state pension fund per month with access to free basic services was achieved.		

STRATEGY	ID Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	NEW	DIRECTOR TECHNICAL/ELECTRO TECHNICAL CONTROLLER	REDUCED ELECTRICITY LOSSES	NOTA TARGET	NOTA TARGET	REDUCED ELECTRICITY LOSSES BY 6%	TARGET NOT MET. THE MUNICIPALITY WAS ABLE TO REDUCE THE LOSSES SUBSTANTIALLY AS SUBMITTED IN THE TECHNICAL REPORT BY LADY GREY. THE PROBLEMATIC AREAS ARE: STERKSTRAND, BARKY EAST. A CONSULTANT WAS APPOINTED TO CONDUCT A HOUSE TO HOUSE INSPECTION TO IDENTIFY THE PROBLEMATIC AREAS. THESE AREAS WERE ELIMINATED IN THE DEVELOPING A TECHNICAL REPORT THAT HAS A COPE WORK PLAN FOR THE IDENTIFIED PROBLEMS.	TARGET NOT MET. THE MUNICIPALITY REGISTERED 84.1% TO 2022/2023.	FUNDING OF THE ELECTRIFICATION INCLUDING IMPLEMENTATION WAS DONE BY Eskom. THEY FROM TIME TO TIME DOWNWARDLY ADJUSTED THE PLANNED HOUSEHOLDS AND THIS NEGATIVELY AFFECTED THE PLANNED TARGET. THE MUNICIPALITY DID NOT BUDGET FOR ELECTRIFICATION IN THE 2022/2023.	THE MUNICIPALITY WAS ABLE TO REDUCE THE LOSSES SUBSTANTIALLY AS SUBMITTED IN THE TECHNICAL REPORT BY LADY GREY. THE PROBLEMATIC AREAS ARE: STERKSTRAND, BARKY EAST. A CONSULTANT WAS APPOINTED TO CONDUCT A HOUSE TO HOUSE INSPECTION TO IDENTIFY THE PROBLEMATIC AREAS. THESE AREAS WERE ELIMINATED IN THE DEVELOPING A TECHNICAL REPORT THAT HAS A COPE WORK PLAN FOR THE IDENTIFIED PROBLEMS.	THE BID SPECIFICATIONS THAT WILL ADDRESS THE IDENTIFICATION OF WHAT IS ILLUSTRATED IN THE TECHNICAL REPORT WILL BE DEVELOPED SO THAT ALL THE GAPS IDENTIFIED BE ADDRESSED IN THE FINANCIAL YEAR 2023/2024 AS A PHASED APPROACH WHICH WILL BE DEPENDANT ON THE AVAILABLE BUDGET	THE MUNICIPALITY WILL PRIORITISE THIS INDICATOR DURING THE BUDGET ADJUSTMENT AND ADDRESS THE PERFORMANCE VARIANCE IN THIS INDICATOR.	PROCUREMENT WILL BE FINALISED BY THE FIRST QUARTER OF 2023/2024	FINANCIAL YEAR: THIS INDICATOR WAS BSD10-05 IN THE 2021-2022 FINANCIAL YEAR
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance	ELECTRICITY AND STREET LIGHTING BSD-10	BSD10-01	% of electricity losses reduced by June 2023	New	Director Technical/Electro Technical Controller	Reduce electricity losses														
			Installation of Power Back Up System with Batteries	Power Backup System with no Batteries	Reduce power downtime	Reduce electricity losses	Installation of the Backup System	Procurement and installation of the Power Back Up System	Target Not Met. The contractor was appointed on the 23rd of February 2022 and the back up installation project was not completed.	Target Not Met. Procurement and installation of batteries for the Power Back Up System not done.	Procurement was not finalised by the BAC.	Procurement will be finalised by the first quarter of 2023/2024	Indicator was BSD10-05 in the 2021-2022 Financial Year							
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance	ELECTRICITY AND STREET LIGHTING BSD-10	BSD10-02	increase in % of households with access to electricity by June 2023	83.40%	Director Technical/Electro Technical Controller	Reduce electricity losses														
			Installation of Power Back Up System with Batteries	Power Backup System with no Batteries	Reduce power downtime	Reduce electricity losses	Installation of the Backup System	Procurement and installation of the Power Back Up System	Target Met. The contractor was appointed on the 23rd of February 2022 and the back up installation project was not completed.	Target Not Met. Procurement and installation of batteries for the Power Back Up System not done.	Procurement was not finalised by the BAC.	Procurement will be finalised by the first quarter of 2023/2024	Indicator was BSD10-05 in the 2021-2022 Financial Year							

To provide office space and parking by building new offices and renovating existing buildings	OFFICE SPACE BSDS 1	BSD11-01	Construction of staff change rooms in Lady Grey by June 2023	Finalised specification for the procurement of the contractor in 2021/2022	Director Technical services / PMU Manager / R634309,18	Staff change rooms constructed	Appointment of the Contractor and Site Establishment.	Target Not Met. Appointment of the Contractor and Site Establishment was not done.	Construction of staff change rooms in Lady Grey	Target Not Met. Construction of Staff Change Rooms in Lady Grey was not done.	End user department still to finalize the specifications for the change rooms.	The tender will be advertised in the first quarter of 2023/2024.
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KPA 2: LOCAL ECONOMIC DEVELOPMENT

STRATEGY	ID Programme	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE / REMEDIAL ACTION / GENERAL COMMENTS			
							ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023					
To promote responsible tourism, arts and heritage through continued support to local initiatives	TOURISM LED-02	LED-01	% of the implementation of the Senqu Tourism Strategy by June 2023	Draft Senqu Tourism Plan 2023-2027	Director Development and Town Planning Services/ Manager/ PED	Implemented year priorities as per tourism plan	1 adopted tourism plan	100% implementation of the year priorities as per LED strategy	Target Not Met. Only 63% of the implementation plan was met with 12 of the 19 targets being met.	Target Not Met. The Contractor was appointed on the 23rd of February 2022 and the back up installation project was completed.	Non-performance due to availability of external stakeholders.	The matter will be reported to the Speaker so that stakeholder engagements can be enhanced.			
			% of the implementation of LED Strategy by June 2023	Draft LED Strategy 2022-2027	Director Development and Town Planning Services/ Manager/ PED	Implemented year priorities as per LED strategy	1 adopted LED strategy	100% implementation of the year priorities as per LED strategy	Target Not Met. 70% of the implementation plan was met with 7 out of the 10 targets reached.	Target Not Met. The Contractor was appointed on the 23rd of February 2022 and the back up installation project was completed.	Targets not met due to budget constraints will be done in the 2023/2024 financial year. Targets aligned with external stakeholders such as DARDAR and institutions of higher learning as well as procurement targets for the institution were not met.	Future budget adjustments will be done to ensure that only targets that are achievable will be in the plan.	Infuture budget adjustments will be done to ensure that only targets that are achievable will be in the plan.		
			Outdoor advertising & signage policy adopted	New indicator	Director Development and Town Planning Services/ Manager/ PED	Outdoor advertising & signage policy	1 Outdoor advertising & signage SOP developed	Target Met. Outdoor advertising & signage SOP was approved by SEM in April 2022	Target Met. The Policy was approved by council.	Target Met. The policy was not approved by council.	Target Not Met. The municipality abandoned developing the policy although it had a draft. This is because there is by-law covering the activity.	The municipality abandoned developing the policy although it had a draft. This is because there is by-law covering the activity.	The SOP has been developed and will be sent to Management for approval in the first quarter of the 2023/2024 financial year.	The SOP has been developed and will be sent to Management for approval in the first quarter of the 2023/2024 financial year.	
			Street and Public Places Naming Policy adopted	New indicator	Director Development and Town Planning Services/ Manager/ PED	Street and public places naming policy developed	1 Street and public places naming policy adopted	Target Met. The Policy was sent to the DTP/SSC in August 2022. It was commented on and went to Council for adoption on 30 September 2022	Target Met. The policy was approved by council.	Target Met. The policy was approved by council.	Target Met. The policy was approved by council.	The policy was approved by council on 30 September 2022.	The policy was approved by council on 30 September 2022.	The policy was approved by council on 30 September 2022.	The policy was approved by council on 30 September 2022.
			Report on number of jobs created through LED initiatives including capital projects by June 2023	162 jobs created through LED initiatives in 2019/2020	Director Technical Services	Number of jobs created	1 Annual Consolidated Report on number jobs created through LED initiatives including capital projects	Target Met. 1 Annual Consolidated Report on number jobs created through LED initiatives including capital projects were submitted. 423 jobs were created through LED initiatives and capital infrastructure projects.	Target Met. 290 jobs were created through LED initiatives including capital projects.	Target Met. 290 jobs were created through LED initiatives including capital projects.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	The support will continue and possibly be increased in the next years.
To promote and attract development in the local economy through implementation of the LED Strategy	LED 02	LED02-05	% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting by June 2023	2020/2021 Report	Director Technical Services	Improved work opportunities for SMME's	30% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	30% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.	Target Exceeded. 30.7% of the municipal infrastructure capital projects in excess of R6 million, allocated to SMME's through subcontracting.		

KPA3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY							MEASURES TAKEN TO IMPROVE PERFORMANCE/REMEDIATIONAL ACTION/GENERAL COMMENTS			
ID/Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		
						ANNUAL TARGET- 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET- 30 JUNE 2023	ACTUAL TARGET- 30 JUNE 2023	REPORTED VARIANCE
STRATEGY	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING)-MFMV01	Percentage of the Implementation of the Institutional Procurement Plan by June 2023	Procurement Plan Developed in 2021/2022	CFO/Manager Supply Chain	Plan Developed	1 Annual report on percentage of implementation of the Institutional Procurement Plan	Target Met. 1 Annual report on percentage of the implementation of the Institutional Procurement Plan was submitted 71% of the projects were implemented as per the institutional procurement plan.	10 Monthly reports on the percentage of the implementation of the institutional procurement plan	Target Not Met. The procurement plan was 100% achieved an 10 reports were submitted to the standing committee.	
			Performance of the service providers in 2021/2022	CFO/Manager Supply Chain	Quarterly Report	Quarterly Report	10 Monthly Reports on the % of Service Providers who implement ed terms and conditions of tender documents in a timely manner	Target Met. 10 Monthly reports were submitted to Finance Standing Committee.		
			Performance of the Annual Asset Count in 2021/2022	CFO/Manager Demand	Asset Count Report developed	1 Annual Asset Count Performed in 2021/2022	Target Met. 1 Report on Asset Counts submitted. Only 98% of the assets were verified.	1 Annual Asset Count Performed	Target Met. The Annual Asset count was performed.	

to ensure monitoring of Municipal assets per department through regular asset checks and reporting

To ensure the efficient and effective procurement of goods and services

To ensure the efficient and effective procurement of goods and services

KPA3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY							MEASURES TAKEN TO IMPROVE PERFORMANCE/REMEDIATIONAL ACTION/GENERAL COMMENTS				
ID/Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023			
						ANNUAL TARGET- 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET- 30 JUNE 2023	ACTUAL TARGET- 30 JUNE 2023	REPORTED VARIANCE	
FINANCIAL MANAGEMENT-MFMV03	FINANCIAL MANAGEMENT-MFMV03	Report on Financial viability as expressed by the ratios in the gazette by June 2023	2021/2022 Ratios	CFO/MANAGER BTO/Financial System / All Directors	Report on Ratios	1 Annual Report on the Ratios	Target Met. 1 Annual Report on Ratios was prepared and submitted to the Finance Standing Committee and Provincial Treasury.	1 Annual Report on Financial viability as expressed by the ratios in the gazette.	Target Met. 1 Annual Report on Financial viability as expressed by the ratios in the gazette was submitted.		
			2021/2022 Valuation Roll	CFO/Manager Revenue	Actual Supplementary Valuation conducted	1 Annual Supplementary Valuation completed	Target Met. 1 Annual Supplementary Valuation Roll was done.	1 Annual Supplementary Valuation Roll completed	Target Not Met. The Annual Supplementary Valuation roll was not completed.	There is a dispute with service provider regarding outstanding payment.	
			2021/2022 verified actual correct billing reported	CFO/Manager Revenue/ Financial System/	Number of consumers correct billed	100% Correct billing of consumers with a 2% variance factor	Target Met. Billing was 100%. The billing processes was performed based on actual readings no estimations were performed, the exception reports were performed and verified to ensure that no meter billing were performed.	100% Correct billing of consumers with a 2% variance factor	Target Met. The correct billing of consumers was achieved by 100%		The dispute will be resolved in Q1 of the 2023/2024 Financial year.
			2021/2022 Total Revenue collected	CFO/Manager Revenue/ Financial System	Total Revenue collected	4 Quarterly Reports on the actual collected revenue	Target Met. 4 Quarterly Reports on the actual collected revenue were submitted. As per the expected norm 95% the municipality collected 91% with 4% variance during the year 2022.	4 Quarterly Reports on the actual collected revenue	Target Met. The quarterly reports on the actual revenue collected were submitted to the standing committee.		

To annually assess and report on the budget spent % of the budget expressed by the ratios

To expand and protect the municipal revenue base by providing accurate bills for services rendered

To expand and protect the municipal revenue base by providing accurate bills for services rendered

KPA3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY											
STRATEGY	IDP Programme Number	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS
						ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023		
To expand and protect the municipal revenue base by providing accurate bills for services rendered	FINANCIAL MANAGEMENT-MFMV03	Report on the % of identified Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches resolved within next financial year and identification of related expenditure	2021/2022 Reports	CFO/Manager Demand and Acquisition	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches	4 Quarterly Reports of Unauthorised, Irregular, Fruitless and Wasteful expenditure and Minor Breaches were submitted.	4 Quarterly Reports on the UJFW-Expenditure and minor breaches were submitted to the standing committee.	4 Quarterly Reports on the UJFW-Expenditure and minor breaches were submitted to the standing committee.			
			2020/2021 AFS	CFO/ AID Directors/	Legislatively compliant AFS	Target Met. The AFS were submitted to A.G on the 31 August 2022.	Target Met. Completion and submission of Legislatively Compliant AFS by 31 August 2022.				
			The OPEX expenditure of 2021/2022	CFO/ Financial System/ AID Directors	Monitoring and implementation of the budget	Report on 100% Expenditure of the Operational Budget by the end of the financial year	Operational budget 72% spent by the end of the financial year	12 Monthly Reports on 100% Expenditure of the Operational Budget by the end of the financial year	Target Not Met. The municipality managed to spend 87% of its operational budget.	This is due to the saving realised as containment measures were implemented and the impact of the measures.	Although the municipality is making savings due to cost containment measures, this should not impact directly the delivery of services to the people.
			The CAPEX expenditure of 2021/2022	CFO/ R000/ Financial System/ All Directors	Monitoring and implementation of the budget	Report on 100% Expenditure of the Capital Budget	Target Not Met. Capital budget 42% spent by the end of the financial year	12 Monthly Reports on 100% Expenditure of the Capital Budget	Target Not Met. The municipality managed to spend 40% of its capital budget.	This is due to poor performing contractors and slow procurement processes.	The municipality will have to revise its procurement strategy and only appoint capable and capable to do the job.
			Conditional grant expenditure of 2021/2022	CFO/ R000/ Financial System/ All Directors	Monitoring and implementation of the budget	12 Reports on 100% Expenditure on Conditional grants received	Target Not Met. Conditional Grants received 75% by the end of the financial year	12 Reports on 100% Expenditure on Conditional grants received	Target Not Met. The municipality managed to spend 79% of its conditional grant budget.	This is due to poor performing contractors and slow procurement processes.	The municipality will have to revise its procurement strategy and only appoint capable and capable to do the job.
			Report on 100% Expenditure of the Capital Budget by 30 June 2023								

KPA3: MUNICIPAL FINANCIAL MANAGEMENT & VIABILITY												
STRATEGY	IDP Programme Number	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS	
						ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023			
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget developments	BUDGET COMPLIATION-MFMV04	Completion of the Annual budget for 2023/2024 by 31 May 2023	CFO/ Financial System/ All Directors/ Legislative Directives/	MFMA Compliant budget 31 May 2022	2022/2023 MFMA Compliant budget by 31 May 2022	Target Met. Final Budget completed and approved by Council on 30 May 2022.	Target Met. The budget was approved by Council on 28 February 2023.	Compile 2023/2024 MFMA Compliant budget by 31 May 2023	Target Met. The budget was approved by Council on 28 February 2023.			
			CFO/ Financial System/ AID Directors/ Legislative Directives	MFMA Compliant adjusted budget	MFMA Compliant budget	Target Met. 1. Adjustment of the budget approved by Council on 28 February 2022. 2. Notice informing the public of the adjustment within 10 days after the approval was published.	Target Met. The adjustment budget was approved by Council on 28 February 2023.	Complete MFMA Compliant 2022/2023 Adjustment budget by 28 February 2023	Target Met. The adjustment budget was approved by Council on 28 February 2023.			
			CFO/ Manager BTO/ Financial System/ Treasury/ AID Directors	Compliance with Treasury Regulations and the MFMA	12 Monthly reports on Section 71(1) developed	Target Met. Reports on development of section 71(1) reports and submission to the Mayor and National Treasury within 10 working days were submitted.	Target Met. 12 Monthly reports on section 71(1) developed (1) developed	Target Met. 12 Monthly reports on section 71(1) developed	Target Met. 12 Monthly reports on section 71(1) developed			
			Municipal Manager/ CFO/ Manager Governance/ Compliance/ BTO	4 Financial and Performance reports (Section 72) and Section 72-MFMA	2022/2023 Financial and Performance reports (Section 72) and Section 72-MFMA	Target Not Met. The S52 (d) report for first quarter was developed but not sent to Council. The S72 report was tabled in Council in January 2022. The S52 (d) report for third quarter was tabled to Council meeting in April 2022. The S52 (d) report for fourth quarter was tabled to Council meeting in July 2022.	Target Met. All 4 Financial and Performance reports (Section 72) and Section 72-MFMA for approval.	4 Financial and Performance reports (Section 72) and Section 72-MFMA	Target Met. All 4 Financial and Performance reports were sent to Council for approval.	Target Met. All 4 Financial and Performance reports were sent to Council for approval.		
			CFO/ Manager IT	8 Strategic ICT Priorities achieved	8 Strategic ICT Priorities achieved	Target Met. 8 Strategic ICT Priorities implemented in 2022/2023	Target Met. 8 Strategic ICT Priorities implemented in 2022/2023	8 of the 28 Strategic ICT Priorities implemented in 2022/2023	Target Met. 8 of the 28 Strategic ICT Priorities implemented in 2022/2023	Target Met. 8 of the 28 Strategic ICT Priorities implemented in 2022/2023		

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT											
STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS
							ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	
To ensure that the municipality has the capacity to implement its programmes and plans	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT-MTID03	MTID03-01	Review of the Institutional Organogram by June 2023	2021/2022 Reviewed Organogram	Director/Corporate/Manager/HR	Organogramme approved	2021-2022 reviewed the organogramme	Target Met, the Organogram was reviewed, approved by the MM and noted by Council by the end of May 2022.	Implementation and review of the Institutional Organogram	Target Met. The organogramme was reviewed and approved by council on 31 May 2023.	
	EMPLOYMENT EQUITY	MTID02-01	Number of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan by June 2023	Reports submitted in 2021/2022	Director/Corporate/Manager/HR	Reports completed	1 Report on no. of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan	Target Met. 1 Report on no. of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan was submitted.	1 Report on no. of people from employer equity target groups employed in the 3 highest levels of compliance with a municipal approved employment equity plan	Target Met. 12 people were employed from the employment equity group in the 3 highest levels of compliance with a municipal approved employment equity plan	
	SKILLS DEVELOPMENT	MTID01-01	% of a municipality budget actually spent on implementing its workplace skills plan by June 2023	Reports submitted in 2021/2022	CFO/ Director/Corporate/Manager/HR	Capacity of employees	1 Report on training initiatives implemented for staff and Councillors	Target Met. 1 Report on training initiatives implemented for staff and councillors was submitted.	1 Annual Report on the % of a municipality budget actually spent on implementing its workplace skills plan	Target Met. 44,11% spent during the FY under review.	
	TO ENSURE THAT THE MUNICIPALITY HAS THE CAPACITY TO IMPLEMENT ITS PROGRAMMES AND PLANS			Ensuring that vacant positions are filled within prescribed timeframes	New indicator	Director/Corporate/Manager/HR	Well capacitated municipality	Nota Target	% of funded vacancies with evaluation outcomes filled within six months of being vacated by June 2023	Target Met. 68,4% of the funded vacancies have been filled.	

KPA 4: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT											
STRATEGY	IDP Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/ GENERAL COMMENTS
							ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	
To ensure that all Senqu residents and stakeholders have access to quality services and that the municipality is able to respond to their needs	LOCAL LABOUR FORUM-MTID05	MTID05-01	Percentage (100%) of official labour matters initiated on time by June 2023	2021/2022 tracked resolutions	MM/ Manager Legal/ Director/Corporate/ Manager HR	Number of meetings held	Percentage (70%) of tracked OHS resolutions resolved	Target Met. 100% of tracked LLF resolutions resolved were implemented.	100% initiation of labour and legal matters	Target Met. Labour achieved 100%	A session has been organised to decide on the reorganisation and redesign and realignment. This session will sit in July 2023. Legal Services has been moved to the office of the MM. The target has not been achieved. When the positions were moved, it required institutional realignment.
	OCCUPATIONAL HEALTH AND SAFETY-MTID-04	MTID04-01	% of OHS resolutions implemented annually by June 2023	2021/2022 tracked resolutions	Director/Corporate/Manager/HR	Meetings held	Percentage (70%) of tracked OHS resolutions resolved	Target Met. Employee wellness day was held on the 23rd of June 2022	Percentage (70%) of tracked OHS resolutions resolved	Target Met. 80% of the OHS resolutions were tracked and implemented. The target exceeded by 10%	The Indicator was MTID05-01. The target will be increased in the outer years to ensure full tracking.

To ensure participation and budgeting	INTEGRATED DEVELOPMENT PLAN	MTD07-01	Review of the new 5 year IDP for 2022/23 to 2026/27 by June 2023	IDP 2023-2027	Director Development and Town-Planning Services/ Manager/ IPED	IDP reviewed		Reviewed 15 year IDP	Target Met. The IDP was reviewed and approved by council on 31 May 2023.
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STRATEGY	IDP Program-Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	ANNUAL TARGET 30 JUNE 2022	PREVIOUS FINANCIAL YEAR 2021/2022 ACTUAL TARGET 30 JUNE 2022	CURRENT FINANCIAL YEAR 2022/2023 ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023	REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/GENERAL COMMENTS	
To monitor and evaluate the performance of staff and management on an annual basis	PERFORMANCE MANAGEMENT AND REPORTING-MTD06	MTD06-01	Signing of Performance Agreements by the Municipal Manager and all Managers by September 2022	6 Agreements signed	Director Corporate Services/HR and Legal Services/ Manager	Signed Agreements	6 Signed Performance Agreements	Target Not Met. 6 Performance Agreements were signed by the MM and Directors	6 Signed Performance Agreements	Target Met. All 6 Performance Agreements were signed and submitted to COGTA on the 5th of Sep 2022		This indicator was MTD07-02 in the 2021-2022 Financial year.	
		MTD06-02	Signing of Performance Agreements by the Managers with their respective Directors by September 2022	18 Agreements signed	Director Corporate Services/HR and Legal Services/ Manager	Signed Plans	18 Signed Performance Agreements	Target Not Met. 16 performance agreements signed by Managers. The other 3 positions vacant and awaiting either a review in structure or the outcomes of the JE process. The Municipality introduced a new structure in July 2022 and following discussion on the outcomes of the JE process, the SE Mon the implementation of the reviewed scorecards, the Municipality took a decision to review the PMS scorecards in May 2022. This was also done in consultation with COGTA. Amended scorecards and reports were submitted.	20 Signed Performance Agreements	Target Met. Submissions were made by only 8 managers.	The difference in the number of submission has been caused by non-co-ordinated user-led redrafts. Follow ups have been done with HODs who have promised to have the resubmitted. There are also two vacant positions which are still awaiting the finalisation of the ID.	This indicator was MTD07-03 in the 2021-2022 Financial year. Since the municipality is using a performance management system, change management will be implemented and the matter monitored by SEM for improvements and necessary management where necessary.	
		MTD06-03	Completion of the Annual Performance Report 2021/2022 (e46) by August 2022	2020/2021 Annual Performance Report	Municipal Manager/Manager Governance and Compliance/	Annual Performance Report completed	Annual Performance Report completed and submitted to AG by 31 August 2021	Annual Performance Report completed and submitted to AG by 31 August 2022	Target Met. The report was developed and submitted to COG on 31 August 2021.	Annual Performance Report completed and approved by 31 August 2022	Target Met. The report was developed and submitted to AG on 31 August 2022		This indicator was MTD07-04 in the 2021-2022 Financial year
		MTD06-04	Completion of the Annual Report for 2021/2022 by June 2023	2020/2021 Annual Report	Municipal Manager/Manager Governance and Compliance/	Annual Report completed	Annual Report completed and approved by 31 March 2022	Annual Report completed and approved by 31 March 2023	Target Met. The Draft was approved on 28 January 2022 and the Final adopted with the Oversight Report on 31 March 2022.	Annual Report completed and approved by 31 March 2023	Target Not Met. The Annual report was completed but not approved.	The Municipality was audited with AG over the Audit Report and this has directly impacted on the approval of the Annual Report.	This indicator was MTD07-05 in the 2021-2022 Financial year. The report will be approved before 31 December 2023.
		MTD06-05	Completion of the 2021/2022 Oversight report by 31 March 2023	2020/2021 Oversight report	MM/Chief/Staff	Oversight report completed	Not a Target	Not a Target	Not a Target	2021/2022 Oversight report completed by 31 March 2023	Target Not Met. The report was not completed and approved.	The Municipality was audited with AG over the Audit Report and this has directly impacted on the approval of the Annual Report.	This indicator was MTD07-02 in the 2021-2022 Financial year. The report will be approved before 31 December 2023.
		MTD06-06	Development and Tabling of the Service Delivery and Budget Implementation Plan by June 2023	2022/2023 SDBIP	Municipal Manager/Manager Governance and Compliance/	SDBIP/Compiled	SDBIP/Compiled	2021/2022 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget	Target Met. The 2022/2023 SDBIP was developed and approved by the Mayor on 27 June 2022	2023/2024 SDBIP developed and approved by the Mayor within 28 days after the approval of the budget	Target Met. The SDBIP was approved by the Mayor on 28 June 2023		This indicator was MTD07-06 in the 2021-2022 Financial year

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
STRATEGY	ID Programme Number	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30 JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL YEAR 2021/2022		CURRENT FINANCIAL YEAR 2022/2023		REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/GENERAL COMMENTS
							ANNUAL TARGET 30 JUNE 2022	ACTUAL TARGET 30 JUNE 2022	ANNUAL TARGET 30 JUNE 2023	ACTUAL TARGET 30 JUNE 2023		
To promote and instill good governance practices within Senqu municipality	RISK AND FRAUD PREVENTION GPP01	GPP01-01	Implementation of Risk Management Plan by June 2023	2021/2022 tracked resolutions	Municipal Manager/Manager Governance and Compliance	Effective implementation of Risk Management Plan	100% of tracked Risk Committee meetings implemented	Target Not Met - 80% of RMC resolutions implemented, 10% in progress and 10% not implemented.	100% implementation of Risk Management Plan	Target not met, 75% has been implemented, 25% not implemented.	1. RMC not sitting as scheduled; RMC did not sit as scheduled for FY 2022-2023 due to unresolved matter relating to the composition of RMC. 2. Fraud Prevention Plan (FPP) not published on municipal website. The FPP was reviewed Q4 of 2022/23, but will only be approved and uploaded in Q1 of 2023/24. 3. Risk Assessment notified as per Risk Management Plan due to clashing timeframe of management this will take place in Q1 of 2023/24.	The RMC will sit religiously from the first quarter of the year regarding its composition have been solved with the Audit Committee.
							Development of the Conflict of Interest Register	Target Met. The register was developed and circulated to staff and councillors.	Development of the Conflict of Interest Register	Target Met. The Development of the Conflict of Interest Register has been developed.	The register was approved in the first quarter.	
							100% of tracked Compliance register implemented	Target Met. The Register was tracked and implemented.	100% implementation of Compliance register	Target Met. 100% implementation has been achieved.		
To ensure compliance with legislated deadlines such as MFMA & MSA, MSCOA regulations, IDP and budget dates	COMPLIANCE GPP02	GPP02-01	Development of the Conflict of Interest Register by June 2023	2021/2022 tracked compliance register	Municipal Manager/Manager Governance and Compliance	Institutional Compliance Assessment conducted	100% of tracked Compliance register implemented	Target Met. The Register was tracked and implemented.	100% implementation of Compliance register	Target Met. 100% implementation has been achieved.		
							Declaration Register for staff and Councillors by June 2023	Target Met. The Register was developed and circulated to staff and councillors.	Development of the Conflict of Interest Register	Target Met. The Development of the Conflict of Interest Register has been developed.		
							2021/2022 tracked resolutions	Target Met. 100% of tracked Audit Committee resolutions implemented.	100% of tracked Audit Committee resolutions implemented	Target Met. 100% of tracked resolutions implemented.		
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and their annual reports preparation	OVERSIGHT - GPP03	GPP03-01	Implementation of the Audit Committee Resolutions by June 2023	2021/2022 tracked resolutions	Municipal Manager/CAE/R	Meetings held	100% of tracked Audit Committee resolutions implemented	Target Met. 100% of tracked Audit Committee resolutions were implemented.	100% of tracked Audit Committee resolutions implemented	Target Met. 100% of tracked resolutions implemented.		
							Implementation of the Municipal Public Accounts Committee Resolutions by June 2023	Target Met. 100% of tracked MPAC resolutions were implemented.	100% of tracked MPAC resolutions implemented	Target Met. 100% of tracked MPAC resolutions implemented.		
							2021/2022 tracked resolutions	Target Met. 100% of tracked resolutions implemented.	100% of tracked resolutions implemented	Target Met. 100% of tracked resolutions implemented.		

KPA 6:ENVIRONMENT & SPSATIALPLANNING

STRATEGY	IDP Programme Number	KPINUMBER	KEY PERFORMANCE INDICATOR	BASELINE 30JUNE 2022	INPUT	OUTPUT	PREVIOUS FINANCIAL	ACTUAL TARGET	CURRENT FINANCIAL	ACTUAL TARGET 30 JUNE 2023	REPORTED VARIANCE	MEASURES TAKEN TO IMPROVE PERFORMANCE/ REMEDIAL ACTION/GENERAL COMMENTS
							YEAR2021/2022	30JUNE2022	YEAR 2022/2023	30JUNE2023		
							ANNUAL TARGET		ANNUAL TARGET			
							30JUNE2022		30JUNE2023			
To develop and maintain urban centres to attract and keep investors to the municipality	SPATIAL PLANNING E&SM02 GE&SM02	E&SM02-01	Development and approval of the Senqu Spatial Development Framework by June 2023	Draft Senqu SDF developed in 2021/2022	Director Development and Town Planning Services/Town Planner/	Senqu Spatial Development Framework developed	1 draft Senqu Spatial Development Framework developed	Target Met . The DraftSDFwas developed.	1 adoptedSenqu Spatial Development Framework	TargetMet. Senqu Spatial Developmentframework was adopted by council on the 17thJanuary2023.		This Indicator was MTID08-02 in the 2021-2022 Financial Year
		E&SM02-02	Sterkspruit Development Business Plan/ Urban Design Framework by June 2023	Submission of Specification to theSCM committee in 2021/2022	Director Development and Town Planning Services/Town Planner	Approved Sterkspruit Development Business Plan/Urban Design Framework Developed	Appointment of SP	TargetNotMet	Approved Sterkspruit Development Business Plan/Urban Design Framework	Target Not Met . The Sterkspruit Development BusinessPlan/ Urban Design Framework has not been approved	Draft UDF completed but has to be presented toPSCbefore Council. The project has delayed dueto non-performance ofserviceprovider	Aletter of non-performance was issued out to the service provider
		E&SM02-03	Township Establishment for Lady Grey new settlements by June 2023	Appointment of SP and submission of the engineering services report to the JGDM was done in 2021/2022	Director Development and Town Planning Services/Town Planner	Approved Township applications	Appointment of SP and submission of the engineer	TargetNotMet	Submission of application to the Municipal Planning Tribunal	Target Not Met . Submission of application to theMunicipalPlanningTribunal wasnotdone.	Bulk infrastructure confirmation by the JGDM delayed the project	Engagements with the district. Bulk confirmation has been submitted to DEDEAT.
		E&SM02-04	Formalisation of Sterkspruit villages	New Indicator	Director Development and Town Planning Services/Town Planner/	Incorporation of Sterkspruit villages intotheurban edge(town)	Nota Target	Nota Target	Signing of MOU between the Municipality and Tribal authorities	TargetNotMet.TheMOU between the Municipalityand the TribalAuthorities has notbeensigned.	The meetings have not been able to sit due to inavailability of the tribal authorities	The meeting will sit in the first quarter of 2023/2024
	Planning Tribunal E&SM03-01	E&SM03-01	Establishment of the Municipal Planning Tribunal by 30June 2023	NewIndicator	Director Development and Town Planning Services/Town Planner/	Efficient Municipal Planning Tribunal	Nota Target	Nota Target	Notice for the withdrawal from theDistrict	Target Not Met . Notice of withdrawal from theDistrictwasnotdone	The reason for wanting to withdraw from theDistrict Planning Tribunal has been resolvedthere is a need to form a municipal planningtribunalhasfallen away	The municipality will continue to be part of theDistrictTribunal
		E&SM04-01	Transfer of public works and rural development entroperties by 30 June 2023	NewIndicator	Director Development and Town Planning Services/Town Planner/	Registration of properties underthe relevant goverment department	Nota Target	Nota Target	Facilitation of the transfer of 13 propeties to Provincial PublicWorks, 13 properties o NationalPublic Works and 1 property toDepartment of Agriculture LandReformand Rural Development	Target Not Met .The facilitation of the transfer of publicworks and rural Development properties has not taken place.	The draft deed of transfer was incorrect andtherefore a correct deed of transfer was soughtfromthepublicworks department but there seems to be no urgency from their side. An item was discussed at the audit Committee level to suggest that a legal route be explored to force the department to give the matter the seriousness it deserves	The municipality is awaiting the legal advice so that it can proceed with the legal route.
	Land use E&SM05	E&SM05-01	Development of Land Administration and Disposal Policy by June2023	Legal opinion on the draft disposalpolicy was requested in2021/2022	Director Development and Town Planning Services/Town Planner	Policy approvedby Council	Nota Target	Nota Target	Policy approvedbyCouncil	Target Met . The policy was approved by thecouncilonthe31May2023		
		E&SM07-01	Facilitatethe Implementation of Housing development in Senqu by the Provincial Department of Human Settlement by June2023	4 Quartly reports on houses completed submitted in 2021/2022	Director Development and Town PlanningServices/ Town Planner	Data Base of occupants of theirformal settlement developed	4 Quartly reportson houses completed	Target Met . 4 Quartly reports on houses completed were subitted.	4 Quartlyreports onhousescompleted	TargetMet. All 4 quarterly reports weresubmitted tothestanding committee.		This Indicator was MTID08-04 in the 2021-2022 Financial Year. Report submitted to the standing committee
	Housing E&SM07	E&SM07-02	Title deed restoration	NewIndicator	Director Development and Town PlanningServices/ Town Planner/	Opening of township registers for LadyGrey and Herschel	Nota Target	Nota Target	Pre-conveyancing applications forLadyGreyandHerschel	Target Not Met . Pre-conveyancing applicationsforLady GreyandHerschel wasnotdone.	This project was delayed by the BAC requestinganopinionof internal audit on the procurement of the panel ofserviceproviders.	The project willbe advertised in August 2023.

SENQU MUNICIPALITY

ANNUAL REPORT 2022/23



OVERSIGHT

REPORT 2022/23

CHAIRPERSON'S FOREWORDS

- 1.1 INTRODUCTION
- 1.2 OBJECTIVES OF THE REPORT
- 1.3 LEGISLATIVE FRAMEWORK
- 1.4 ACCOUNTABILITY FRAMEWORK FOR LOCAL GOVERNMENT
- 1.5 AUTHORITY OF THE COMMITTEE
- 1.6 COMPOSITION OF MPAC
- 1.7 MANDATE OF MPAC
- 1.8 SCHEDULE OF MPAC MEETINGS
- 1.9 STAKEHOLDER ENGAGEMENTS

CHAPTER 2

- 2.1 APPROACH ON THE ANNUAL REPORT
- 2.2 DEPARTMENTAL ENGAGEMENTS
- 2.3 COMMUNITY ENGAGEMENTS 424

CHAPTER 3

- 3.1 Auditor General Report

CHAPTER 4

- 4.1 ANALYSIS OF THE 2022-2023 ANNUAL REPORT CHAPTERS

CHAPTER 5

- 5.1 RECOMMENDATIONS TO COUNCIL
- 5.2 CONCLUSION

TABLE OF CONTENTS

CHAIRPERSON'S FOREWORDS

To the Senqu community, it is a great pleasure to present the Oversight Report of the Municipal Public Accounts Committee (MPAC) on the 2022/2023 Annual Report. The MFMA assigns specific oversight responsibilities to Council in the annual reporting process and the preparation of the Oversight Report. Given the processes required by Council to effectively undertake its oversight role, the establishment of the MPAC of Council provides the appropriate mechanism through which Council fulfils its oversight responsibilities. The MPAC considered and evaluated the 2022/2023 Annual Report, and monitored that all submissions and calls for comments were undertaken as per Section 127(5), Section 130 and Section 132 of the MFMA. The Oversight Report was prepared taking into consideration the views and inputs of, the communities of Senqu Local Municipality, Stakeholders representatives, representatives of the Auditor-General, organs of state, the Audit Committee and Councillors. The Annual Report was available through a variety of methods including the Senqu Municipality's website, Senqu Facebook page and hardcopies in all our satellite or unit administration buildings and public libraries.

The MPAC commends management for the overall improvement in internal controls, the control environment and assurance provided by all assurance levels. These are largely attributed to strong and competent leadership by Political leadership of this municipality working together with the administration as well as improved consequence management.

The MPAC commends the Municipality for nine clean audit opinion from the previous financial years, which was an unqualified audit opinion with no findings.

On behalf of the MPAC, I would also like to thank the administration for their support in the Oversight process. A word of thanks must also be given to the Office of the Auditor-General and the Audit Committee for their input in the 2021/2022 Annual Report and oversight process. To the MPAC committee we have a long way ensuring transparency, accountability and effective use of public funds.

CHAPTER 1 INTRODUCTION

The basis for the development of the Oversight Report is affirmed in the Constitution of the Republic of South of 1996, section 152 which determines the objects of local government. Section 152(1)(a) and (1) (e). The former implores councils to be democratic and accountable to the communities within which they exist, and the latter obligates the council to create a conducive climate for communities to participate meaningfully in the affairs of the municipal council. To give effect to this constitutional requirement placed upon councils, the Constitution in terms of section 154(2) empowers the National and Provincial governments to develop legislations the status, institutions powers or functions of local government. Chief amongst those legislations is the Municipal Structures Act of 1998, the Municipal Systems Act of 2000 and the Local Government: Municipal Finance Management Act of 2003. The Municipal Structures Act in section 79(1) empowers the municipal council to establish council committees and section 79(2) implores the councils to develop terms of references for those committees as a guide on their establishment, powers and functions. Furthermore Section 129(4)(b) authorizes National Treasury to issue guidelines on the functioning and composition of MPAC The Municipal Public Accounts Committee of Senqu municipality has been established to perform the oversight responsibility on behalf of council. One of the critical tasks of MPAC in pursuit of proper oversight is to assist the council to consider the Annual Report conduct public hearings and develop an oversight report.

The Annual report is one of the key strategic instruments that a municipality uses to take stalk of its financial and non- financial performance for the duration of the period under review. It is a post facto report (it looks backwards). Municipalities are required to prepare and adopt Annual Reports in accordance with section 121 of the MFMA and its purpose can be summarized as follows:

To provide a record of the activities of the municipality during the financial year to which it relates;

To provide a report on performance against the budget of the municipality for that financial year; and

To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

In the process of considering the annual report MPAC is expected to develop an Oversight Report in terms of section which has to make recommendations to council as to whether the council should

approves the annual report with or without reservations;

rejects the annual report; or

refers the annual report back for revision of those components that can be revised.

OBJECTIVES OF THE REPORT

The Oversight Report sets out to assess the progress, successes and achievements made by various departments in delivering on the plans as for the year under review thus seeks:

To measure and test the credibility, accuracy and quality of the 2022/23 Annual Report submitted to council on the 25 January 2023 against the prescripts of Section 121(2)(a)-(c).

To assess and establish whether the projects implemented in the 2022/2023 Financial year have been

completed and whether they were in line with the budget allocation.

Set out to ascertain whether there has been value for money and impact of all services paid for and rendered.

To check out customer satisfaction through engagements of communities and beneficiaries to municipal services and allow them space and platform to make submissions on any aspects of the annual report.

To establish whether programmes and projects reported in the 2022/2023 Annual Report are consistent with the policies of the municipality.

To assess the extent and gravity to which the matters raised by the Auditor General in the 2022/2023 Audit report have been responded to as well as the follow through of MPAC determination through various reports.

To establish issues of compliance with regards to the structure and contents of the 2022/2023 Annual Report by testing it against the prescribed legislation (section 121 of the MFMA) in this case.

LEGISLATIVE FRAMEWORK

NO	SOURCE	PROVISION
1	Constitution of the Republic of South Africa	Objects of Local Government the National and Provincial governments to develop legislations the status, institutions powers or functions of local government.
2	Municipal Structure Act No. 117 of 1998	Establishment of Oversight Committee
3	Municipal Finance Management Act No 56 of 2003	Section 129: Council must consider the Annual Report of the Municipality. Prepare an Oversight Report. Allowance for the submissions and address by the members of the community
4	Municipal Systems Act No. 32 of 1999	To monitor compliance with section 25,34,39,54 reports
5	National Treasury Guidelines 2011	MPAC may engage directly with the public and consider public comments when received. Will be entitled to request documents or evidence from the Accounting Officer of the Municipality. In cases of irregular expenditure or wasteful and fruitless expenditure, MPAC have the right to call upon the Accounting Officer
6	MFMA Circular 32	Structure and content of the Oversight Report. Resolution and statement
7	MFMA Circular 63	Process for Annual report consideration Tabling and adoption of the Annual Report. Timelines for consideration and Tabling of Oversight Report. Timelines for the tabling of Audit Report by the office of the Auditor General to Council in terms of the main Act. The Auditor General to Council in terms of the main Act.
	Local Government Municipal Planning and Performance Management Regulation. Regulation 6	To review the draft annual Budget and ensure that it is informed and aligned to IDP

ACCOUNTABILITY FRAMEWORK FOR LOCAL GOVERNMENT

The Oversight Report is the final major step in the annual reporting process of a municipality therefore section 129 of the MFMA requires the council to consider the annual report of its municipality to adopt an oversight report containing the council's comments on the annual report.

The table below displays the nature of financial governance framework applicable to the municipality.

Responsible Person	Responsible for	Oversight over	Accountable to
Council	Approving policies, IDP and Budget	Mayor and/or Members of Executive Committee	Community
Mayor	Policy, budgets, service delivery outcomes and Management of/ oversight over Municipal Manager	Municipal Manager	Council
Municipal Manager	Outputs and implementation of policies and SDBIP	The Administration	Mayor
CFO & Senior Mangers	Outputs and implementation of SDBIP	Financial Management and Operational Functions	Municipal Manager

Therefore, the oversight report follows consideration and consultation on the Annual Report and is a report of the municipal council to the community disclosing the level of performance/success, obtained in addressing/meeting the priority needs and stated desires of the community as contained in the approved IDP.

AUTHORITY OF THE COMMITTEE

The Municipal Public Accounts Committee is a Council Committee established in terms of sections 33 and 79 of the Municipal Structures Act and accountable in the performance of its delegated responsibilities to the Council. The committee have access to all records and information that it may require from the office bearers, management or employees of the Municipality.

COMPOSITION OF MPAC

The MPAC (Oversight Committee) is a committee of Council established in terms of section 79 of the Municipal Structures Act, the committee comprise solely of councilors appointed through a council resolution.

MFMA Circular No. 63 states that the Oversight Committee should be made up of only non-executive councilors. It further provides that the municipal officials cannot serve as members of an oversight committee.

MEMBER	POSITION
Cllr. Kholiwe Mpiti-Xhelesha	Chairperson (Acting)
Cllr. Mchumane Ntlwatini	
Cllr. Tshepiso Madiene	
Cllr. Pulane Mmele	
Cllr. Babalwa Lawu	
Cllr. Dumisani Somsila	
Cllr. Akhona Mvelase	
Cllr. Mahlubandile Phuza	
Cllr. Lunga Nongongo	

MANDATE OF MPAC

Amongst the primary responsibilities of the committee are the following:

Interrogate the record of activities in each Financial Year, determine linkages between Strategic Plans [IDP], Budget, SDBIP and Annual Report.

Establish deficiencies, omissions, variation, deviations, and reasons thereof and corrective measures.

To hold Executive accountable and to ensure effective use of Municipal resources and enhance public awareness of the financial and performance issues of the Municipality.

Consider and evaluate the content of the annual report and report to council as such when adopting an oversight report.

To promote transparency, and public accountability in the use of municipal resources.

To review any proposals for improving efficiency, effectiveness, and economy in the financial sphere of the organization.

Examine the financial statements and audit reports of the municipality and consider improvements, also considering previous statements and reports.

Examine, and evaluate the extent to which MPAC recommendations and those of the Audit Committee have been implemented.

SCHEDULE OF MPAC MEETINGS

The committee convened a series of working sessions as part of oversight processes to ensure that a credible oversight report is adopted by Council. The following table represent the date and purpose of the meeting.

STAKEHOLDER ENGAGEMENTS

Section 130 of the MFMA stipulates that public participation must of be a central element of all processes relating to an Annual Report. In so doing, the Section instructs that the meetings of a municipal council or committee established by Council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

As part of promoting public participation in the oversight process, municipalities are obliged to undertake the following additional actions:

Publish the Draft Annual Report on the Municipal website and on local newspapers.

Place hard copies of the Annual Report on strategic municipal buildings that are easily accessible to the public.

Invite written submissions from the local community or organs of state on the Annual Report Make public all meetings at which the Annual Report will be discussed.

Representatives of the Auditor-General are entitled to attend and to speak at any meeting that deals with the Annual Report

Engage in a process of public participation on the Annual Report.

CHAPTER 2

APPROACH ON THE ANNUAL REPORT

Due to resource constraints the committee could not afford to hold public engagement session in different wards instead the committee opted to bring all wards representatives under one roof in the council chambers. The Committee however, received written submission from Cogta. The representation across all wards comprised of the following delegations:

- Ward Committees
- Community Development Workers (CDW's)
- Traditional Leaders
- Business Communities
- Councillors
- Unions
- Government Departments
- Schools
- Municipal Officials
- The report was flighted on the screen using a projector so that everybody could see.

DEPARTMENTAL ENGAGEMENTS

As mentioned above the committee received written submissions from Department of Cooperative Governance and Traditional Affairs. The following points are a summary of their submissions:

Date of submission of the Annual Report to National Treasury was complied with.

Report was submitted in the form of a hard copy

The report was not signed by both the Mayor and the Municipal Manager.

The Auditor General's Report is not included in the Draft Annual Report

The Report was compliant in as far as the structure and content.

The Report has all the required annexures as regulated.

COMMUNITY ENGAGEMENTS

The community comments on the Annual Report presentation can be summarized as follows:

The community representatives and stakeholders expressed appreciation in the manner the session has been organized because it allowed even the disabled and furthest of areas an opportunity to participate.

The issue of the employment in the projects was raised sharply and that all employment must be above board and not favor certain individuals and must cater for the disabled as well.

The problems with the Barkley East Cemetery project need to be attended to as a matter of urgency.

Public participation in all municipal project should be strengthened to avoid misinformation and disruption of project.

Service Centers like community halls and other municipal building that are closer to the people must be renovated and made user friendly.

Community confirms that the projects reported on in the Annual Report are actually a true reflection of what is taking place on the ground.

The plight of the disabled people should always take precedence when project is initiated.

Report on Free Basic services is a true reflection of what is happening in the wards.

The maintenance of roads in rural area needs too be prioritized and additional plant must be purchased to meet the demands of road maintenance.

Inadequate controls in supply chain processes should be attended to as a matter of utmost urgency.

Poor performance of contractors should be addressed and dealt with expeditiously.

The financial reserves of the municipality should be used towards service delivery.

Fruitless and Wasteful Expenditure, Unauthorised Expenditure and Irregular expenditure must be eliminated, and consequence management be enforced.

The role of MPAC is needed more than ever.

Community appreciates the fact that Senqu Municipality is consistently receiving Clean Audits except for 2021-2022 financial year.

All expenditure must be predicated on plans and youth women and disabled people be always considered.

CHAPTER 3

Auditor General Report

The community appreciates the fact that the municipality can submit the financial statements for auditing purpose on time and in compliance with all the audit requirements.

The fact that Senqu Municipality has attained Clean Audits nine time in ten financial years (eight years consecutively) is commended and its testament to the fact that the public pursed is utilized judiciously and prudently.

The municipality should try to eradicate irregular, fruitless, and wasteful expenditures as much as it can.

CHAPTER 4

ANALYSIS OF THE 2022-2023 ANNUAL REPORT CHAPTERS

CHAPTER 1: MAYORS FOREWORD AND EXECUTIVE SUMMARY

Mpac Committee members have noted that both the mayor and the municipality provide a summary of services that the municipality is rendering to its constituencies. Services like waste management, sport facilities development, traffic services. The chapter also touches on youth projects, job creation, public participation. It also highlights the fact that the municipality's financial health is stable however it both allude to the service delivery challenges the municipality is grappling with. The committee also noted that the chapter provides an updated statistics of our demographics and development patterns. All this is consistent with the municipality's vision.

CHAPTER 2: GOVERNANCE

2.1 Political Governance

The annual report accurately captures the status quo of political governance in that councillors are allocated to standing committees that meet monthly to discuss and investigate issues of service delivery. The political structures and their functions are highlighted and explained in the annual report and the relationship between the council and traditional leadership are sound and have become more cordial.

2.2 Administrative Governance

Mpac noted that the municipality's administrative governance led by the Honourable Mayor and the Municipal Manager has brought stability and consistent results in terms of performance results. This clean administrative governance has resulted in successive clean audits for nine out of ten years. The fact that almost all critical positions at top management level are filled and occupied with the exception of the CFO position has yielded positive result for the institution.

2.3 Intergovernmental Relations

Cooperative relations with other levels of governance have been beneficial to the municipality in conducting its operations as it is learning from best practices applied by other institutions at the district, provincial and national levels. Participating in Joe Gqabi District, District Mayors Forum (Demafu), Munimec and other National intergovernmental structures has had remarkable socioeconomic benefits for the municipality.

2.4 Public Accountability & Participation Public Meeting

The committee is satisfied with how public meeting are unfolding in the municipality as this is indicative of the positive thrust relationship between the public and the community. The committee is further emboldened by the establishment of the structures and forums the enhance meaningful participation of the public in the plannings and monitoring and evaluation of the municipality's service delivery operations.

2.5 IDP Participation and Alignment

In respect of IDP Participation and Alignment, the committee is pleased with the information submitted as an accurate reflection of the state of affairs in the municipality. The public participates adequately in the development of the strategic development of the municipality's plans and the development of the budget to allocate resources in pursuit of those plans.

2.6 Corporate Governance



The committee is satisfied that strict adherence and compliance with the legal prescripts by the municipality in conduct of its business and operations is a unique characteristic of Senqu municipality. More emphasis is put on

- Risk Management
- Fraud and anti-corruption and
- Supply Chain

Mpac is satisfied with the information supplied in respect of the above and the risks identified and the management thereof.

2.7 Supply Chain Management

In respect of Supply Chain Management, the committee believes that more attention is required to ensure that service delivery is not compromised due to underspending of the MIG Grant

2.8 Municipal Website

The committee is satisfied that the information given is an accurate reflection of this are. None the less, it will appreciate if the website is updated on a regular basis with updated information so that the public is informed with reliable information.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE: PERFORMANCE REPORT PART 1

3.1 Basic Services

The report on delivery of basic services is a true reflection of the performance of the municipality. The committee is of the view that the are areas that need much improvement such as road maintenance, upgrading of the ageing electrical infrastructure and improvement on reducing electricity losses which become an impediment in delivering basic service. Procurement of road maintenance plant should be given priority to achieve the desired levels of service delivery.

3.2 Environmental protection

The Committee is satisfied that the information reported on waste management services ensures protection, preservation and sustainability of our environment.

3.3 Community and Social Services

The committee is satisfied with the manner in which this item is reported in the annual report as it reflects the obtaining status quo.

3.4 Health

The Committee is satisfied that the information reported on this performance area and notes that more needs to be done.

3.5 Safety and Security

The Committee is satisfied that the information reported on this performance area and notes that more needs to be done.

3.6 Sport and Recreation

The committee is satisfied that what appears in the annual report on this area of performance is the true reflection of what is obtaining on the ground.

3.7 General Comments

MPAC believes that for service delivery to be optimized, the necessary infrastructure has to be in place and this therefore requires the municipality to ensure that it invests more on infrastructure development and maintenance and ensure that revenue collection is enhanced and improved. The report clearly points to the fact that the municipality is achieving in meeting that minimum standard of basic service delivery levels to its communities.

CHAPTER 4 ORGANISATIONAL DEVELOPMENT (PERFORMANCE REPORT PART 2)

The committee is satisfied with the information submitted on this area of report. The fact that the municipality has in place a policy framework that deals with how the municipality should try to keep the skills that it currently has, is encouraging and is a clear testament that it has responded to the 2021-2022 Oversight report. The staff turnover has to be monitored and addressed at all cost of the municipality wants to keep the excellent audit reports. The committee is still not satisfied that issue raised in the 2021-2022 Oversight Report on conduct of exit interview is not adequately addressed or in cases where these have been done, they are not taken seriously. The committee is satisfied that the critical posts have been filled on time. However, the that the expenditure on staff in relation to the total revenue should be monitored as it is slightly ahead of the expected national norm.

CHAPTER 5: FINANCIAL PERFORMANCE

The committee has noted the report on financial performance and is encouraged by the fact that the liquidity status of the municipality is such that the institution can be able to fulfil its current liabilities for the next twelve months from its owner coffers and the committee is encouraged further by the municipality's ability to reclaim the clean audit status with in twelve months. This is indicative of the municipality's willingness to learn from its mistakes and correct the wrongs. The performance of service providers has to be monitored consistently and prompt action to be taken to ensure that service delivery is not compromised. Fruitless and Wasteful Expenditures, unauthorized Expenditures and Irregular Expenditures has to be eliminated and strict compliance to the supply chain policies has to be vigorously enforced.

CHAPTER 6: AUDITOR GENERAL'S FINDINGS

The committee is pleased with the fact that the municipality has reclaimed its clean audit status as this is testament to the fact that the institution is willing to accept its mistakes and learn from them and never to repeat them. The political leadership and management have to be commended for wanting to enforce financial prudence and keeping the good reputation of the municipality intact.

FINDINGS OF MPAC AND ISSUES TO BE CONSIDERED BY COUNCIL

Chapter 1: Mayors Foreword and Executive Summary

The committee makes no findings but wishes to express gratitude on the executive and administrative leadership and dynamism of both offices in steering the institution towards excellence.

Chapter 2: Governance

The committee notes the seriousness with which management treats the issue of corporate governance, risk management and fraud and the supply chain management, because these will have a direct bearing on the extent to which the municipality is able to meet its constitutional obligation towards its

communities.

Chapter 3: (Service Delivery Performance: Performance Report Part 1)

The committee is still concerned about the poor performance of the municipality in respect of performance and loss of revenue due to electricity losses. The perpetual non completion of projects by contractors is testament to the lack of due diligence during the procurement processes. The failure by the municipality is as a consequence of the lack of willingness to enforce our revenue management policies.

Council and management should therefore ensure that prompt action is taken to address the two identified areas of concerns as they might negatively impact on the ability of the municipality to deliver services on a sustainable basis.

Chapter 4: Organisational Development (Performance Report Part 2)

The committee has no findings on this chapter except to say that the morale of the staff has to give priority.

Chapter 5: Financial Performance

MPAC wishes to commend the management of for its unrelenting quest to achieve financial prudence and stability. However, continued underspending of MIG grant remains a thorn in the flesh and the committee implores management to enforce consequence management where it is necessary.

Chapter 6: Auditor General's Findings

The committee is encouraged by the municipality's ability to swiftly recover from the 2021-2022 unfavourable audit results and respond promptly. The return to clean audit is highly commendable.

General Comments

MPAC is satisfied with the information furnished and has taken notes of all the contributions and comments by our stakeholders and communities and wishes to commit that their inputs will be taken seriously and that their participation was not a mere talk show and an act cosmetic compliance.

CHAPTER 5 RECOMMENDATIONS TO COUNCIL

MPAC recommends that:

- The Council having fully considered the 2022/23 Annual Report of the Senqu Municipality and comments thereon, adopts the 2022/23 Oversight Report in terms of Section 129 (1) of the MFMA.
- The Council approves the 2022/23 Annual Report in terms of Section 129 (1)(a) of the MFMA without reservations.
- The Oversight Report of the Senqu Municipality must be made public in terms of Section 129 (3) of the MFMA.
- The Oversight Report and Annual Report 2021/22 of Senqu Municipality be submitted to the Provincial Legislature in terms of Section 132(2) of the MFMA.

CONCLUSION

The committee wishes to express its heartfelt sense of gratitude to the office of the Mayor and Municipal manager for the support on matters brought to their attention during the oversight process. The Portfolio Heads and Management team cooperated and engaged with the committee diligently throughout the process.

Honorable Speaker, members of the Executive, Traditional Leaders, Councilors, and entire community of Nyandeni; the MPAC now tables and submit the oversight report to Council for consideration and adoption.



COUNCILLOR: Kholiwe Mpiti-Xelesha

CHAIRPERSON: MPAC
SENQU MUNICIPALITY (EC142)

25 MARCH 2024

REPORT SIGNATORIES ON BEHALF OF COUNCIL